

# The NATIONAL UNDERWRITER



JOHN PAUL JONES • July 6, 1747

*"I Haven't Begun to Fight"* With these words, John Paul Jones, in command of the Bonhomme Richard in 1779 encouraged his men during an all-important sea battle.

The first Captain of American Naval forces, he was also first to raise an American flag over one of our ships. His accomplishments remain a source of inspiration to fighting men of the sea.

Today, the eyes of the world are turned again upon the U. S. Navy, whose tremendous might and proud traditions continue to play an historic role in the never-ending fight for freedom!



## CRUM & FORSTER

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United States Fire Insurance Co.  
The North River Insurance Co.  
Westchester Fire Insurance Co.  
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Organized 1824  
Organized 1822  
Organized 1837  
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Richmond Insurance Co.  
Western Assurance Co., U. S. Branch  
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Southern Fire Insurance Co., Durham, N. C.

Organized 1836  
Incorporated 1851  
Incorporated 1833  
Incorporated 1923

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THURSDAY, JULY 22, 1943



AMERICAN AUTOMOBILE INSURANCE COMPANY, SAINT LOUIS, MISSOURI



## Six Months Survey Presents Spotted Condition in Field

### Large Premium Risks Still a Big Factor in Income

Company executives of fire companies have surveyed the six months figures and most of them now give the opinion that the peak of the premium increase has been reached. In looking over the accounts companies as a rule have made a considerable increase in premium income. The returns, however, are spotted. The big development in business has been in large plants having something to do with the war effort. Values increased immensely, these properties expanded, heavy values developed, there was a sharp demand for time interruption insurance. This business has chiefly been placed by the large brokerage houses and if local agents controlled a line it was handled by the factory association or other company syndicates. Local agents as a rule have not participated in these large premium accounts.

### Agency Business Is Off

So far as what might be called the agency business is concerned there is no increase. There has been very little building except in case of war industry plants and housing facilities for defense workers. Stocks of merchandise are greatly reduced. Many retailers are not able to secure stocks. A number of small business enterprises have been squeezed out.

The losses have kept at a moderate figure in spite of the dislocations and extra hazards. The use and occupancy storm has subsided and almost every prospect especially of an important nature has been solicited.

The inland marine business shows a consistent increase and these departments are giving a good account of themselves. This is a steadily expanding market. More and more business is written under the inland marine form. There is an opportunity for ingenuity and resourcefulness of underwriters. Many agents have become expert in inland marine solicitation and enjoy that field particularly.

### Farm Business is Up

The farm business has been on the up and up for some months. Farm products are high and everything that the farmer raises brings a good price. Inasmuch as the farmers have more money to spend, rural communities have been the beneficiaries and therefore some of the concerns that have goods of various kinds or can get them are enjoying prosperity. The great trouble is to get what the farmer wants. Farm writing companies therefore show a premium increase in this department. A number of companies seeing the prosperity in the farm insurance field are edging in through their regular recording agents. The hail business this year has stepped up remarkably. Some companies that are not hail writers are getting into this domain in a rather limited way.

The automobile business with lower rates and with no new cars has kept

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## New President for Pacific National

**Belgrano to Bank Post:  
Arthur C. Connick Is  
His Successor**

SAN FRANCISCO—F. N. Belgrano, president of Pacific National Fire, has been elected president of the Central Bank of Oakland, Cal. He will be succeeded as president of the Pacific National Fire by Arthur C.



**F. N. BELGRANO**

Connick, an executive of the Bank of America. Mr. Belgrano is a director of Occidental Life of Los Angeles. He will continue with Pacific National Fire as chairman of the board.

### Mr. Belgrano's Career

Mr. Belgrano became president of the Pacific National in 1930. He became national commander of the American Legion, being elected in 1934. Having had an insurance company office he has had a desire to become identified more actively and intimately with financial affairs. He started as an office boy in an Oakland branch bank and continued through many promotions and led him to become vice-president of the Bank of America. Following Mr. Belgrano's election to the presidency of the Pacific National there was instituted a steady expansion including the establishment of an eastern department headquarters at Philadelphia. Branches were arranged elsewhere.

### Connick's Sound Schooling

Mr. Connick has had a sound schooling in financial and administration lines both in country and metropolitan banking. He is a native of Eureka, Cal. After managing live stock and marketing operations for various concerns he entered banking in 1913 as a director of the First National Bank of Eureka and became president 10 years later. In 1917 he helped organize the First Savings Bank of that city. In 1921 that bank was merged with the Home Savings Bank and at the same time the Humboldt National Bank was taken over by the First National, Mr. Connick becoming president of both institutions. Afterwards they were made a part of the Bank of America state-wide system and Mr. Connick was appointed vice-president of the Bank of America's Oakland main office. In 1921 he became administrative officer of its head office.

## Promotions in Staff of St. Paul Group

**Four Vice-presidents  
and Four Secretaries Are  
Named by Directors**

ST. PAUL—Several promotions in official personnel of the St. Paul Fire & Marine companies were made by directors at the quarterly meeting. Four vice-presidents of St. Paul and Mercury were named, four new secretaries elected and there were promotions and changes in all three companies.

Elected vice-presidents of St. Paul and Mercury were C. A. Dosdall, who also is secretary in charge of fire business; H. T. Drake, in charge of marine; M. D. Price, in charge of automobile, and A. B. Jackson, subject to duties in all departments as assigned by the president.

### New Vice-presidents' Careers

Mr. Dosdall, who has been secretary since 1924, has been with St. Paul 40 years. Mr. Drake, secretary since 1935, has been in the company 29 years. Mr. Price has been with St. Paul since 1923, starting in the Ohio field, and has been vice-president of St. Paul-Mercury Indemnity since 1937. Mr. Jackson joined the company in 1922, was elected assistant to the vice-president in 1937 and assistant to the president of St. Paul in 1938 and of the Mercury and St. Paul-Mercury in 1940.

### Four New Secretaries

New secretaries of St. Paul and Mercury, with the years when they joined the company, are: C. H. Knoche, 1905; L. W. King, 1918; S. J. MacMinn, 1924, and Richard H. Bancroft, 1932. J. B. Carter was promoted to secretary of the automobile department of all three companies. M. M. Innes was elected assistant secretary of the fire department of St. Paul and Mercury.

Charles H. Stevenson, who joined the company in 1938, was elected assistant secretary of St. Paul-Mercury Indemnity in charge of accident business, and Palmer Benson, with the company since 1935, was elected assistant secretary in charge of claims. W. F. Somerville, with the company since 1930, has been elected casualty secretary of St. Paul-Mercury Indemnity, and Charles L. Taylor, Jr., with the company since 1941, has been elected secretary of the contract bond department.

These are the most extensive personnel changes in the St. Paul group in many years and follow the recent retirement of J. C. McKown, long-time secretary.

## Fireman's Fund Group Now in Hail Association

Fireman's Fund has been elected a member of the Western Hail & Adjustment Association and now is writing hail insurance on growing crops in a limited way in only three states. Paul M. Britton, general agent in the western department in Chicago, is in charge of this line.

The fleet entered the hail business last year on a reinsurance basis in the Dakotas and this year began writing hail directly in those two states and also in Kansas. Charles Dawson of Fargo, general agent, is in charge for the Dakotas and the Mid-Central Insurance Agency of Topeka for Kansas. So far the group has attempted to write hail only in these three states, according to E. D. Lawson, vice-president and western manager.

## McGee Assails War Department Rating Scheme Extension

**Attack May Herald N.A.I.A.  
Opposition, Calls Spread  
Ruinous to Producers**

### NAVY REJECTS PLAN

WASHINGTON—Navy department officials here stated that the war projects rating plan will not be applied to lump sum contractors under their jurisdiction. Their position is that the plan is intended to apply only where the government pays the cost of insurance and there is no reason why insurance should be made a special cost item of a contract which is otherwise entirely on a lump sum basis.

This indicates that lump sum contractors may make individual insurance arrangements with insurance agents and brokers. There is a growing tendency toward lump sum contracts.

It was also indicated that proposals for handling stevedoring risks uniformly by the army, navy and Maritime Commission may not materialize.

The navy insurance division is preparing a manual of instructions for contractors, advising them what to do about insurance under various circumstances.

LOS ANGELES—In what may prove to be the opening gun of a campaign by the National Association of Insurance Agents, Harold McGee, member of the National association committee on the public relations program, denounced the government's war projects rating plan at the monthly meeting of the Insurance Exchange of Los Angeles and called for support of the National association program to combat government attempts to drive agents out of the picture.

F. A. Moreton, Salt Lake City, vice-president of the National association, was a guest at the meeting, which was attended by both agent and broker members. He also asked for support of the public relations plan.

### Calls Companies Unfriendly

Mr. McGee, who is a past president of the Los Angeles board, is also a member of the committee appointed by Commissioner Caminetti to consult with government agencies, contractors and others affected by the war projects rating plan. He was emphatic in his denunciation of it, declaring that it asked agents to make all the sacrifices. He also charged that many company executives would be glad to see the agent eliminated and the matter reduced to negotiation between the company and the assured.

"The government has developed a comprehensive rating plan for compensation, liability and automobile insurance on cost plus a fixed fee contracts by which the producer commission factor is removed from the premium dollar," Mr. McGee said. "The government agencies ask the insurance agent, out of these classes of business, to operate on a service fee, which, the producers allege, in many instances, is below the cost of doing business. The government agencies acknowledge that

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## F.C.A.B. Puts Out Aircraft Manual

### Gives Procedure for Handling Losses in Field of Growing Importance

NEW YORK—Fire Companies Adjustment Bureau has distributed to its adjusting staffs a 38-page manual on aircraft loss adjustments. It is indicative of the importance which aviation insurance is expected to assume after the war. The introduction points out: "We are sure all adjusters are impressed with the importance of the aircraft industry as it relates to our own business. It is fundamental that the increased traffic and development of the aircraft industry will produce a parallel increase in loss frequency. To serve the underwriters intelligently and efficiently, our store of knowledge of this subject obviously must be kept on a standard comparable with this progress taking place in the aircraft industry."

The manual recommends as principal sources of information aircraft textbooks and repair shops. "Observing the methods used and work done by aircraft mechanics, right on the job, will enable you to learn much about the parts which are usually salvageable, as well as those where susceptibility to damage is high and repair impractical."

#### Comprehensive in Scope

Included are sections on policies and endorsements—casualty as well as those issued by fire companies, authority and activity of the civil aeronautics administration; nomenclature of aircraft parts; pilots' vernacular, visibility scale, wind velocity scale, and CAA identification numbers; illustrations of the main parts of aircraft; procedure in handling an aircraft loss and in reporting on a loss.

Important factors in efficient handling of aircraft losses include a knowledge of repair facilities in the territory and the type of repair each shop is equipped to handle; availability of parts; an index of salvage buyers; knowledge of trucking facilities for transporting a wrecked plane to a factory or repair shop; pictures to show the extent of damage; immediate steps to insure safe storage of the ship pending ultimate repair or disposition of the salvage; statement from pilot, in addition to narrative description of causes of accident, covering specified points.

#### Subrogation Often Possible

The manual emphasizes that adjusters should be alert to the possibility of damage being the result of negligence of a third party and should therefore conduct their investigations thoroughly with a view to possible subrogation. One of the principal situations where the possibility of subrogation arises in the aircraft field is where the ship is damaged while in the custody of a bailee, such as a repair shop or storage hangar.

The manual was prepared by B. L. Jones, supervisor, eastern department, assisted by William Whitesell.

George A. McKinney, executive vice-president of Millers Mutual of Alton, Ill., was honored by the home office staff at a party in celebration of his 50 years of service with the company. He was presented a scroll bearing appropriate greetings and sentiments, together with signatures of all staff members by Eugene Montgomery, president of the employees association.

N. B. Bassett, treasurer of Fire Companies Adjustment Bureau, New York, suffered an attack of heat prostration at his office and was removed to a hotel. He is taking his vacation.

Bert Neil, head of the Neil Insurance Agency, Kansas City, Mo., is confined to the hospital as the result of a heart attack.

## Factory Insurance Association Issues Brochure Giving Much Information

NEW YORK—A handsome brochure has been prepared by the Factory Insurance Association outlining its insurance and engineering services to American business. The recently announced consolidation of the three territorial organizations "is a progressive step in the field of capital stock company insurance," according to C. W. Pierce, president, in a brief concluding statement. "It will facilitate simplification of methods and of savings in management expense," he said. "It will result in more uniform general policies effective country-wide insofar as legal requirements and other territorial situations permit. These desired results cannot fail to be in the public interest and by the same token, the consolidation should operate to the advantage of producers and companies as well."

#### Contribution to War Effort

The reorganized association will continue to concentrate on the special constructive assistance which has been voluntarily extended by the predecessor organizations to the nation's war effort, the brochure states. This includes special services and emergency inspections for the large number of policyholders whose plants have been converted to the manufacture of war supplies; substantial contributions of engineering assistance and financial support to the work of the National Bureau for Industrial Protection, Washington, and services of specialists who advise government officials, architects, contractors, and other interested persons with respect to construction and protection of important uninsured war plants.

The consolidation will result in improved service for all, local industry, national accounts, government properties, and agents and brokers. It continues to provide individual agency service in each community through the American agency system.

Prevention of loss or damage is a paramount consideration in a complete insurance service, particularly in war time. The comprehensive fire insurance services which the association renders to eligible property approaches the objective of providing adequate indemnity with safety both to insured and the insurer called for by the tremendous values involved in modern industrial plants, it is stated.

Through allied services, National Board, Underwriters Laboratories, Inc., and National Fire Protection Association, adequate safeguards against loss and conflagration by fire are assured the public and industry. The engineering and inspection work of Factory Insurance Association is strengthened by the accomplishments of these organizations' specialists in the fields of municipal fire protection, fire prevention work, and the testing and approval of fire protection equipment.

The average cost of capital stock fire insurance has steadily decreased during

the past 30 years a total of more than 40%. The reduction in cost has resulted largely from the constructive services of the insurance business, supplemented by the cooperation of the public with its growing recognition that fire losses represent a preventable waste of national resources.

Policies issued through Factory Insurance Association and its 96 member companies, each automatically assuming a predetermined portion of every risk written, give broad protection covering both property damage and business interruption indemnity under forms of fire, extended coverage insurance, and other perils. All members proportionately assume liability for the share of any member company unable to pay its proportion of any loss sustained.

### Poultry Risks Eligible for I.U.B. Treatment

NEW YORK—Because of the rapid expansion in commercial chicken farming due to the meat shortage the Interstate Underwriters Board has added commercial poultry enterprises to its list of classes eligible for the reporting form of coverage subject to an amended limit of liability clause. Hatcheries and turkey farms, the only type of poultry risks where the question of insuring under a general cover policy had come up, have previously been ruled ineligible but will now be included along with other forms of poultry farming.

#### Details of Coverage

The coverage applies while the birds are in buildings or while in pens or yards at specified locations or at other locations acquired if reported in the next monthly report. With respect to poultry the coverage is against death only, due to perils named in the contract and for an amount not exceeding the actual value of the poultry at the time of loss nor the figures in the table of limits which is part of the contract. This table is to be filled in with limits of liability desired according to age and type of bird.

For manufacturing plants including processing or finishing plants the word location is defined unless otherwise specifically limited as the area within the entire group of structures or outside with 100 feet on any one plant site.

The coverage is not the same as livestock insurance since liability is limited to death from fire and if extended coverage is purchased from perils insured under the latter.

The I.U.B. is recommending similar changes to the various regional and rating jurisdictions for single state reporting form risks.

Gustav May, president Cincinnati Fire Underwriters Association, was confined to Christ Hospital by illness for a week but he has now returned to his home.

## Buyers Are More Receptive to Idea of Survey

Insurers and agencies that make surveys for assured report that nowadays they are more often being called in by assured who have been sold insurance surveys by independent insurance appraisal concerns. Assured whom the agent has not gotten around to telling that he can make the survey free, are paying as much as \$100 to \$500 for such work, then checking into criticisms of existing coverage with their agent.

There seem to be several reasons for this interest by assured in having their insurance thoroughly analyzed. Assured are anxious to be completely protected against all possible hazards. They are conscious that values have gone up tremendously. Profits are good, and they can afford coverage, although there is still interest in saving money where possible, as a matter of good business. Then, too, those men in business firms who are responsible for looking after insurance matters have in the past several years become more alert to the insurance problem. Some have formed organizations to discuss the subject among themselves. They have been acquiring all the information and education they can.

#### Buyers Are Receptive to Idea

Consequently, when a survey is broached, the insurance buyer is usually in a receptive frame of mind. It is clear that no matter how busy the agent may be, now is the time for him at least to let assured know that the service is available.

The insurance appraisal firms generally confine their work to an analysis of the protection the firm has in force and to pointing out any weaknesses. Experience of insurers and agents is that the lines on which assured is most apt to be improperly or insufficiently covered are liability, bonds, and fire insurance.

The survey idea in the insurance business gained currency in the 1920s. But because it requires considerable detail work if done properly it is not used extensively. Yet a survey almost always turns up one or more serious deficiencies in coverage or improper insurance.

#### Effect of New Wis. Law

The National Board has sent out a bulletin clarifying the application of the Wisconsin law, effective July 1, which provides that on losses of \$50 or less the loss shall be paid to the owner even though the property is real estate on which there is a mortgage. The controlling date is not the date of the loss but the date of the contract under which the mortgagee might claim and hence if the contract had an inception date prior to July 1, 1943, "we recommend that the mortgagee's name be included in the loss draft." However, if the date is July 1 or later it is recommended that the mortgagee's name be omitted from the draft.

Robert F. Coleman of Robert F. Coleman, Inc., an organization that serves as claim adjusters and engineers for insurers and self-insurers, died at his home at Cold Spring, N. Y., at the age of 63. Services were held at Bellona, N. Y. He founded the company about 22 years ago and it is now one of the largest of its kind in the country. In 1921 he served as director of workmen's compensation and self-insurers division, New York Department of Labor and before that was in the automobile business at Buffalo.

A son, W. S. Coleman, is vice-president of Robert F. Coleman, Inc., and a son-in-law, Ernest Oberdorf, is assistant secretary. The Coleman organization has 15 offices throughout the country.

## THIS WEEK IN INSURANCE

Survey of the fire insurance business thus far this year shows that the companies have an increase in premiums. **Page 1**

Harold McGee, member of National Association of Insurance Agents public relations body, attacks extension of war projects rating plan. **Page 1**

Several promotions made in St. Paul group following recent retirement of Secretary J. C. McKown. **Page 1**

Fire Companies Adjustment Bureau issues aircraft loss adjustment manual. **Page 2**

Fire losses in the United States for June show an increase of 20% over June of last year. **Page 3**

Brochure has been prepared by the Factory Insurance Association outlining its insurance and engineering services. **Page 2**

J. B. Eastman, director O.D.T., urges cancellation of conventions. **Page 15**

Arthur C. Connick succeeds F. N. Belgrano, Jr., as president of Pacific National Fire. **Page 1**

Program for annual meeting of the West Virginia Association of Insurance Agents at Fairmont is being completed. **Page 9**

Objections are voiced to ICC proposal to raise financial standards of motor carriers' insurers. **Page 13**

National Council on Compensation Insurance approves both stock and mutual plans. **Page 13**

Plans for educational campaign on new Ohio safety financial responsibility law are formulated. **Page 13**

Expected graded costs and reduced commissions to offset Michigan compensation rate increase brought about by enlarged benefits. **Page 13**

Details of round table discussions given for American Bar Association's insurance section meeting. **Page 15**



## Osgood to North America Head Office

Becomes Fire Secretary—  
Montgomery to Chicago,  
Miller Cincinnati Manager

R. G. Osgood, manager of North America's Chicago service office, has been named fire secretary at the head office, effective Sept. 1. Succeeding him in Chicago is V. L. Montgomery, manager of the Cincinnati service office.

Walter Miller, agency superintendent in the head office, succeeds Mr. Montgomery as manager at Cincinnati.

Mr. Osgood succeeds Bradford Smith, Jr., who recently was made vice-president of North America. He is 39 years old and has spent his entire business career with North America. Mr. Osgood graduated in fire protection engineering from Armour Institute in 1927, and went with North America in its engineering department in Chicago. The following year he was sent to Ohio as a special agent. In 1930, he was transferred to Michigan as state agent. Four years later, he returned to Chicago as field superintendent in the western department. Later, he became agency superintendent and subsequently assistant manager. With the establishment of the service offices in 1940 he became resident manager.

### Montgomery and Miller

Mr. Montgomery joined North America in 1925 as a special agent in Ohio. Later, he became state agent for southeastern Ohio. In 1936, he was appointed assistant manager of the Chicago service office. Four years later he was named manager at Cincinnati.

Mr. Miller has been associated with North America since 1930, serving its western department as a field man, special agent and state agent. In 1936 he became assistant manager of the western department. Three years later he was made manager of the Cincinnati service office. In 1940 Mr. Miller was transferred to the fire underwriting department in the head office. In 1942 he was transferred to the agency department, later becoming agency superintendent. He started in the business with Canadian Fire at Winnipeg.

## British War Damage Experience Is Shown as Raids Are Less

NEW YORK—Claims paid by the British War Damage Commission have increased to nearly 1,200,000, with the amount expended well beyond the £100,000,000 mark, Sir Malcolm Trustram Eve, chairman, told a press conference recently. At the end of 1942, there were 1,000,000 claims for £86,500,000. These are exclusive of payments made on account.

So far for 1943, enemy raids have not been heavy and incidents are largely of the hit-and-run variety. He pointed out, however, the fact there has been no serious raiding for so long has not reduced the number of claims on the commission. Rather, it has worked the other way.

Relieved of the calls on their labor and materials for the carrying out of urgent first-aid repairs and the demands of public authorities for their attention to that service, up to the present time

## Fire Loss Record for Half Year Is Given

Estimated fire losses in the United States in June were \$26,854,000, an increase of \$4,444,000 or 20% over the total for June, 1942, it is announced by the National Board.

The June losses represented a decrease of 8% from losses of \$29,297,000 reported in May of this year. Fire losses for the first six months are estimated at \$190,514,000, an increase of \$20,022,000 over the total of \$170,492,000 reported for the first half of 1942. The detailed figures are:

	1941	1942	1943
Jan. ...	\$26,470,000	\$35,565,000	\$27,733,000
Feb. ...	26,102,000	30,819,000	33,175,000
Mar. ...	31,471,000	30,505,000	39,214,000
Apr. ...	29,330,000	27,960,000	34,241,000
May ...	25,637,000	23,233,000	29,297,000
June ...	24,943,000	22,410,000	26,854,000
Total ...	163,953,000	170,492,000	190,514,000

### Many Large June Losses

The New York "Journal of Commerce" shows that there were 134 fires in June in the United States and Canada, each of which caused damage of \$10,000 or more, the aggregate being \$9,339,700. The main losses were:

Machias, Me., church and six business buildings, \$70,000; Somerville, Mass., five houses and factory building, \$50,000; Hudson, N. Y., brooding house, \$50,000; Mamaroneck, N. Y., three industrial plants, \$200,000; Sharon, Pa., two story cement block warehouse, \$175,000; Duquesne, Pa., one story factory, \$60,000; Great Bend, Kan., 100 tons freight including docks, four freight cars and warehouse, \$250,000; Dowagiac, Mich., furnace company plant, \$200,000; Gallon, O., steel body company building, \$100,000; Massillon, O., six story warehouse and mill of cereal company, \$700,000; Green Bay, Wis., two warehouse buildings, \$90,000; Oleum, Cal., refinery and oil stock, \$1,500,000; Rainier, Ore., tavern, feed store, apartment building, \$125,000; Roseburg, Ore., furniture company, apparel store, branch U. S. National Bank, two cigar stores, etc., \$100,000; Ladner, Vancouver, B. C., plant, \$200,000; Vancouver, B. C., builders supply company warehouse, \$100,000; St. John's Newfoundland, school building, \$75,000.

### Extended War Risk to Europe

NEW YORK—Extended war risk coverage is again available for shipments to and from Europe, including the British Isles and Iceland, ports in the Mediterranean, Black Sea or Asia east of Chittagong. While additional rates for extended transshipment coverage are subject to change without notice, they are at present 1% for western hemisphere shipments and 2% for all others. This coverage is available under individual policies and by endorsement of open policies.

builders have been in a position to undertake more of the work which house owners, with increasing confidence in Britain's ability to defend herself against large scale attack, are ready to give. This position is now showing a change in that further calling up for service and concentration of remaining labor on special tasks may slow up the execution of permanent repairs.

In the meantime, 9,000 claims are coming in weekly with about 70,000 on hand, representing seven weeks of output in examination and payment. Properties damaged or destroyed aggregate 3,000,000.

The ministry of health, in view of the housing shortage, is speeding up the repair of over 40,000 more seriously damaged dwellings through local authorities and has authorized expenditures up to £250 per house.

For work carried out by a private owner, a limit of £100 is set for work which may be done without a license.

## True or False Program

Questions Submitted at the Annual Meeting of the Illinois Fire Underwriters

At the annual meeting of the Illinois Fire Underwriters Association at the Edgewater Beach Hotel in Chicago there was a true or false answer session to a number of questions. The main questions were as follows:

1. Most fire insurance companies wrote windstorm insurance 60 years ago. False. A letter written in 1882 by Phoenix of Connecticut to an Osage City, Kans. agent reads: "Windstorms being entirely foreign to the business of fire insurance in which we are engaged, we have nothing to do therewith."

2. Extended coverage endorsement covers damage by crash of a civilian vehicle being driven illegally on private business during a blackout. True.

3. A fire company cannot issue policies to cover legal liability to a third party. False. See F. C. & S. Bulletins—Fire Forms L-1.

4. Outboard motors detached from boat and on premises of assured are not covered under the personal property floater. True.

5. A windstorm loss occurs to a building—the following day a fire loss occurs. A windstorm policy would not cover the subsequent fire loss. A fire and extended coverage policy would cover the subsequent fire loss. True.

6. The classification for coinsurance credit on incombustible buildings containing incombustible contents located in protected towns would be class 2A. False. If the risk is "certified" by the inspection bureau the coinsurance credit is 1A building to apply on both the incombustible building and its incombustible contents.

7. An undisclosed mortgage upon real property voids an insurance contract. False. There is no express clause in the policy making it void and the courts have held that the existence of a mortgage does not violate the "unconditional and sole" ownership clause.

8. A fire policy continues in force if a building, or any material part thereof, falls other than as a result of fire. False. But coverage may be continued by the attachment of the waiver of fallen building clause.

9. Under item 1, Dwelling Form 49, Ed. 1-43, stationary fuel tanks are not covered on the described premises. False.

10. It is permissible to issue an insurance policy to insure tombstones in graveyards against damage by fire, extended coverage, vandalism and malicious mischief. True. At rates of fire—25 cents gross—1a or 1b coinsurance extended coverage—18 cents gross—1a or 1b coinsurance vandalism—125 cents gross—1a or 1b coinsurance.

11. The average net loss by fire paid by insurance companies per \$100 of insurance is 32.8 cents. True.

12. A tenant in a building installs improvements and betterments and insures them under a contents form. The owner increases his insurance on building because of tenant's improvements. A loss occurs—both insured collect for the improvement loss. True.

13. In the event that property is so endangered by fire that it is necessary to remove same to a place of safety, it is covered under the fire policy for a period of 10 days. False. Five days only.

14. It is permissible to write under a single state reporting form, building machinery and stock. False.

15. Rent and rental value insurance should always be sold to lessors. True.

16. Leasehold insurance should always be sold to lessors. False.

17. In writing U. & O. insurance it is not permissible to insure against a

shut down of more than one year. False.

18. Property damaged by fire can be abandoned to the insurance company. False.

19. Movable furniture and fixtures may be written in the same policy as the building, at the same rate and term as the building, if the same ownership. False. Can be written for same term but takes contents rate.

20. Loss from an exposing fire caused by riot is not covered under a fire only policy. True.

21. A mortgagor is the unconditional and sole owner of the mortgaged premises within the meaning of the fire insurance policy. True.

22. A lessee can cancel his lease because of fire and collect under a leasehold policy. False.

23. Due to a fire it is necessary for an insured, with additional living expense coverage, to live in a hotel for 30 days, and a guest arrives for three or four days visit. Extra expense for the guest's room may be collected under the assured's additional living expense coverage. True. F. C. & S—Misc. Fire EPDA—1 April, 1943.

24. Illinois has adopted the new 1943 New York standard policy. False. Adopted 1918.

25. Basis rates have been reduced 40% or more in the past 30 years. True.

26. A sizable deposit is made on a superior risk for insurance with Western Factory. False.

27. Flood insurance on personal property cannot be granted under any type of policy. False.

28. The "night work clause" is required on all policies covering night clubs. False.

29. The deductible clause under the new personal property floater applies to all losses, including burglary and robbery on the premises of the assured. False.

30. If a building described in and insured in the policy stands on leased ground the policy is void. True.

31. The unearned premium reserve is an asset to policyholder. True.

32. The burning ratio of property is one and the same as actual loss ratio. False.

33. If privately owned property is burned by the U. S. army to keep it from falling into enemy hands, although

## N.A.I.A. Chairman

As general chairman for the annual convention of the National Association of Insurance Agents in Pittsburgh Oct. 10-13,

Clarence H. Alexander, vice-president of the Pittsburgh association, carries much responsibility for the success of the meeting. Mr. Alexander is a member of the 90-year-old Pittsburgh agency of McCandless, Collingwood & Alexander.



C. H. Alexander

His father, Joseph S. Alexander, was one of the founders of the Fire Insurance Agents Association of Pittsburgh which later became the Pittsburgh association. C. H. Alexander has been in insurance 20 years, starting out with the Fire Companies Adjustment Bureau and in 1930 joining the agency of which he is now a partner. He has long been active in the Pittsburgh association and in the Insurance Club there.

actual invasion of the enemy is not in progress, the loss would be paid by the private insurance carrier. False. It would be covered by war damage policy.

34. Water damage policy covers loss arising out of flood. False.

35. If any change, by reason of the death of an assured, takes place in the title of the subject of insurance, the policy is void. False.

36. Under the new revised 1943 New York form of the standard fire policy, vacancy or unoccupancy beyond 60 consecutive days voids entire policy. False. Policy is suspended while building is vacant or unoccupied beyond 60 consecutive days.

\* \* \*

37. A \$5,000 fire policy covers household goods and personal effects and involves fire loss to a fur coat valued at \$600 while in storage at a secondary location. Other insurance was provided by a furrier and garment was insured for \$100 under an all-risk fur certificate based on assured's inadequate declaration of value. In accordance with the adjuster's interpretation this later mentioned policy was treated as primary insurance and proper payment of the \$100 made. Since it was the intent of the fire policy to cover 10% while temporarily off premises (etc.), it was held by adjuster to mean this insurance shall be considered as excess to other insurance and amount recoverable is \$500. False. Language in form states clearly that this insurance shall not apply to any loss at any other location if at the time of loss or damage there is any other kind of insurance that might attach had not this insurance been effective.

38. A rent form contains the 1/12th clause; amount of insurance is \$1,200; limit per month, \$100. A loss occurs and is estimated at 15 months; the actual rental at time of loss is \$90 per month. The insured will collect \$1,200. True. \$90 per month for 13 months and \$30 for the 14th month, which exhausts the insurance.

39. A U. & O. loss ends when the property is restored. True.

\* \* \*

40. A loss under a tuition fees insurance policy ends when the property is restored. False. Tuition fees cover loss of revenue up to and including the next school year.

41. A solicitor may solicit business in his own name. False. A solicitor may solicit insurance only in the name of his employer and for the account of his employer.

42. Additional living expenses incurred by insured following fire loss to dwelling is recoverable under rent insurance policy. False.

\* \* \*

43. Under an automobile fleet policy, it is necessary that all cars be under one ownership. True.

44. Falling building clause is incorporated in standard fire policy without additional charge. False.

45. The new revised 1943 New York form of the standard fire insurance policy covers fire caused by riot. True.

\* \* \*

46. Increase of hazard during policy term voids the fire policy. False.

47. A three-year term premium for a personal property floater policy is 2½ times the annual premium. False.

48. Under war damage policies issued through companies as fiduciary agents, money and securities can be protected while in transit by registered mail or express including registered air mail and air express. True.

49. Except at commission compensation of 10 points less than the commission authorized for policy writing agents, no member shall appoint a newly created agent on a non-policy writing basis in towns of 3,000 population or over. False.

Georgia Home has declared its usual dividend of 50 cents a share and additional 15 cents.

## Washington Using Priorities Clause

SEATTLE—The priorities assumption endorsement for use and occupancy, rent and other "time element" coverages has been filed by the Washington Surveying & Rating Bureau. The form is identical with that used in other states and specifically assumes liability for prolongation of loss from delays in rebuilding because of government restrictions. It may be added without charge to all policies written before April 15, when the priorities exclusion rule went into effect here and to policies written after that date at a 100% rate increase.

The bureau also made a number of changes in the unprotected dwelling and farm tariffs, including reinstatement of the specific permit for unlimited unoccupancy, but not vacancy, of seasonal dwellings and summer cottages, at a charge of 60 cents. The 25% reduction in the amount of insurance now applies only in case of vacancy beyond 10 days and unoccupancy beyond 30 days.

The bureau also warned agents that there have been many errors reported on growing grain coverage under the new rules, principally lack of complete information and faulty handling of transfer permits.

## McDevitt Named Assistant General Manager, Kannair General Adjuster of FCAB

NEW YORK—James J. McDevitt, district supervisor of Fire Companies Adjustment Bureau, Boston, for all of New England except Maine since 1930, has been appointed assistant general manager of the eastern department with headquarters in 116 John street, New York. C. J. Kannair, branch manager at Jamestown, N. Y., since 1937, will become general adjuster at Boston. Both appointments are effective Sept. 1.

Mr. McDevitt, after serving as an officer in the army in the former war, entered the business in 1920 with the Boston office of General Adjustment Bureau. From 1923 to 1926 he was special agent of Milwaukee Mechanics, then joined the bureau at Worcester. He became general adjuster at Boston in 1934.

Mr. Kannair went with the old Sterling Fire in Indianapolis in 1912, subsequently joining General Inspection Bureau in Minneapolis. After army service he became special agent for Northwestern National in 1920. He joined General Adjustment at Buffalo in 1921.

J. E. Fraas, vice-president of Lukis, Stewart & Co., Montreal insurance brokers, has been elected president succeeding the late P. L. Lukis. Mr. Fraas started his career with the Guardian of Canada and joined his present firm in 1918.

The Unique Manual-Digest contains the broadest coverage of sales making facts and figures available from any source. \$5 from National Underwriter.

## Big Concerns Renew Their War Damage Policies

NEW YORK—Both U. S. Steel Corporation and American Telephone & Telegraph Co. have renewed their war damage insurance on the same basis as last year. There has been considerable interest whether the larger policies would be renewed to the same extent as those on smaller risks and apparently they have. Both U. S. Steel and A. T. & T. are said to involve a billion dollars or more coverage with premiums in the neighborhood of a million dollars each.

## Bicycle Cover Offers Some Undeveloped Possibilities

NEW YORK—Despite the fact that there are an estimated 11 or 12 million bicycles in use in this country, the largest number in history, it appears that few agents have been active in soliciting the business. Following a record breaking production of 1,800,000 bicycles in 1941, the sale of new bicycles was frozen and they are not now available to civilians generally. Current production is estimated to be 10,000 per month and there are very few, if any, left over after military needs have been filled.


### Physical Loss Features

If a bicycle is lost or destroyed, it is irreplaceable and it is in the same category as a tire. For this reason, companies have accepted a bicycle risk only as an accommodation and some of them are not at all eager to get the business. However, a few of the agents and companies have developed a good business and the loss ratio appears to be favorable so far. If losses have occurred, interestingly enough they have

come from small towns where bicycle owners have been careless in leaving them unlocked and unattended.

A bicycle is written under an inland marine form and the policy and premium are not standard. In general, however, the practice is to charge a \$5 premium for fire, theft, and collision coverage, although some companies do not include collision. One of the larger companies which is writing the business rather freely offers a bicycle floater for \$2 which includes fire and theft, if the bicycle is locked when left unattended and kept in a locked building at night. A \$3 certificate includes theft coverage without restrictions and a \$5 certificate includes in addition collision damage of \$5 or more. The actual value of the bicycle is insured up to a maximum of \$50 if it is lost or damaged as a result of fire, lightning, theft and robbery, windstorm or collision. A five day cancellation notice is incorporated in the policy.

Three classifications have been set up by the National Bureau of Casualty &



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- EUREKA-SECURITY FIRE & MARINE INSURANCE COMPANY
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Chicago  
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Cincinnati, O.  
1417 Carew Tower

Philadelphia, Pa.  
525 Chestnut Street

San Francisco  
200 Bush Street



Surety Underwriters for writing bicycle public liability and property damage and it may also be covered under a residence, personal, or public liability policy and also by endorsement to the automobile liability policy. The premium for \$5,000/\$10,000 bodily injury and \$1,000 property damage limits is \$3 plus \$1 for individual coverages, \$5 plus \$1 for family coverage, and \$3 plus \$1 for commercial uses, when business and employees' coverage is desired, for each bicycle owned.

The family policy covers ownership, maintenance, or use of bicycles by the insured, his or her spouse, and children under 21 residing in the same household. It covers liability of the insured from the use of bicycles by domestic servants and does not cover the personal liability of servants nor the use of bicycles by any other employee of the insured.

#### Individual Policy

The individual policy gives the same coverage except that it covers only the liability of the named insured, as well as his liability from the use of bicycles by domestic servants, but if it is not written under the same policy as some other liability insurance, minimum premiums of \$5 for bodily injury and \$1 for property damage liability apply.

If the insured carries personal liability insurance, he, his wife, and minor children are protected against pleasure use of bicycles by themselves and their minor children, but servants' or business use is not covered, the same coverage applying in the case of the family sports liability policy. The residence liability policy covers liability of the insured and spouse for use of bicycles except for business purposes. The individual sports liability policy covers pleasure use by the insured. Company practices may vary slightly on some of the forms.

The recent reduction in property damage liability minimum premiums from \$2.50 to \$1 by the National Bureau applies in the case the family policy, code 383, individual coverage, code 384, when bicycle liability is written alone, and in the greater New York territory under commercial coverage, code 385, where a \$6 liability premium applies.

If an insured carried a residence liability policy, for example, and wished to use his bicycle to make some business calls, he would not be covered while on business unless he bought individual coverage, paying an extra \$3. Under the family policy, if a member 21 or over were to be covered, it would also be necessary to pay an extra \$3.

In the east, the cutting of the basic ration allowance has increased use of bicycles to go back and forth from the train, when the commuter lives some distance from the station. Before sales of new bicycles were frozen, many persons bought them in anticipation of this situation. The Long Island railroad has installed bicycle racks at suburban stations.

The increasing use of bicycles should stimulate the sale of accident insurance, both for children and adults. There is also need for additional burglary and theft cover for protection in the event the bicycle is stolen from the premises described in the policy.

#### N. Y. Liberalization Clause for Fire Policies Approved

NEW YORK—A prescribed liberalization clause for attachment to outstanding fire policies has been approved by the New York Fire Insurance Exchange rates, rules and forms committee and will be voted on at the next meeting. It provides that any liberalization of form not involving an extra premium charge adopted subsequently to issuance of the policy will be read into the policy. It would become effective as of July 10. The clause is permissive, and identical to the one adopted for upstate New York.

The same committee has announced

these rulings on the use of time element assumption endorsement "B" with business interruption policies:

If such policy is in effect prior to March 26, 1943, when rate is subsequently reduced and the endorsement is attached, such reduced rate shall not apply unless the doubled reduced rate is less than the rate at which the policy is written and then only to the extent of such difference; otherwise exclusion endorsement "A" shall be attached to the entire coverage under the policy.

In the case of a business interruption policy in effect prior to March 26,

1943, when an endorsement is subsequently attached extending the time limit on stock coverage and time element assumption endorsement "B" is attached, the increased charge therefor shall be computed at double the rate specified in the rule; otherwise exclusion endorsement "A" shall be attached to the entire coverage under the policy.

#### Scarlett G. A. of Unds. Salvage

G. G. Scarlett, general agent Pacific Coast department of Underwriters Salvage Co. of New York, at San Francisco, since 1924, has been appointed

general agent of its New York department succeeding the late E. L. Lewis, effective Sept. 15. W. O. Cooper, state agent at Memphis, will succeed Mr. Scarlett at San Francisco.

#### Explosion Insurance Prospects

In some of the smaller places, churches, halls and other public buildings are heated by crude oil burners. Now and then there is an explosion usually caused by a stoppage in the supply of oil. Fuel oil has some sediment and forms a sludge. This has a tendency to gum up the filter and pump.



## WARTIME HAZARDS DEMAND *all-out* PROTECTION

WITH THE THREAT of sabotage added to all the hazards of normal times, all-out protection against fire and unlawful intrusion is a "must" in every industrial establishment.

All-out protection demands supplementing protective manpower with systems that function *automatically*, such as electrically supervised automatic sprinklers, automatic fire alarms, burglar alarms and other automatic intrusion detection systems. Watchmen and guards require the additional support

of an outside central station which maintains a continuous check on their activities and provides prompt aid in emergencies.

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## Confer on Adopting N. Y. Standard Form in Iowa

DES MOINES — Commissioner Fischer has announced he will confer with the attorney-general on the possibility of adopting the New York standard fire policy in Iowa.

Mr. Fischer said he doubted whether the statutes in Iowa will permit adoption of the policy until approved by the legislature, which does not meet until 1945. If the attorney-general holds the legislature must approve, he will seek then to determine whether portions of it can be used with riders.

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## VIEWED FROM NEW YORK

### WILL FEATURE THE FARMER

The advertisements of Crum & Forster which will appear next month feature the work of the American farmer and the prominent part he plays in feeding America and her allies. The advertisement was originated by Vice-president Harold Junker. It is interesting that the week following the creation of this copy the Department of Agriculture and the War Food Administration released a request to advertisers to do their part in furthering the farm goal program. Crum & Forster have been running a patriotic series of advertisements for some time.

### WAR DAMAGE INSURANCE

War damage insurance is renewing at a higher percentage than was anticipated. Those who are in close touch with putting the business on the books a year ago predicted that the renewals would run about 33 1/3%. Most offices are finding out that 50% of the policies have been renewed. There are few reductions in amounts and there are a number of increases. The bulk of the business was written in July of last year. Therefore offices are busily engaged in renewing the business again this year. In spite of careful, clear instructions that went out as to renewals a number of agents seem to disregard them. The chief complaint is that where there was a change in the old policy by way of endorsement or otherwise a special form of application should be used. A number of agents disregard this and it means a request from the office for the proper form to be filled out. This all takes time.

### PUBLICATION IS DELAYED

The list of companies that have notified the New York department that they will interpret all policies expiring since July 1 as if written on the 1943 standard fire policy form, if the insured prefers, will not be published until about Aug. 1. Publication of the list has been delayed to include some late additions.

### ENEMY FIRE BOMB WARNING

As long as the war lasts there is some possibility that American citizens may come to grips with fire caused by enemy fire bombs, and regardless of how remote this possibility, "it would be foolhardy to ignore it," warns L. W. Hutchins, until recently chief of fire defense education for the Office of Civilian Defense, in a feature message to members of the National Association of Insurance Agents this week.

Calling upon all insurance agents and the entire insurance industry to support the new fire guard program of the OCD, which becomes effective in September following a recruiting period, Mr. Hutchins emphasizes that enemy bombs are only one cause of fires that may interfere seriously with the war effort.

### DECLINE IN CONSTRUCTION

Construction awards in the 37 eastern states aggregated \$1,851,272,000 during the first six months as compared with \$3,723,725,000 in the corresponding period 1942, according to F. W. Dodge Corporation. The declines in the three major categories were: non-residential building down 54%, residential building down 50% and heavy engineering work down 44%. The greatest dollar declines were in manufacturing buildings, miscellaneous non-residential buildings, public works, utilities and one family houses, all of which are types of construction which were pushed in 1942 so as to expand the nation's war production capacity and to provide military and naval training facilities.

June showed only a minor decline of 2% from the preceding month due primarily to a drop off of \$22,577,000 in heavy engineering work. Manufactur-

ing buildings with a valuation of \$53,717,000 were more than double the May total of \$24,206,000 but fell far below the June, 1942, figure of \$271,801,000.

June residential building, amounting to \$61,508,000, was \$1,783,000 below May, but ran just about a third of the June, 1942, total of \$185,471,000.

### JOINS ALAN H. BONITO & CO., INC.

George W. Kuchler, president of Alan H. Bonito & Co., has announced that W. H. Jones has joined the corporation as assistant secretary in charge of the loss department.

After an apprenticeship in Liverpool with the Standard Marine, Mr. Jones went to New York in 1919 as the manager of the loss department. In 1920 he joined the Marine Office of America as manager of the loss department. He was associated with it about 14 years, and also became secretary and director of S. D. McComb & Co. as well as secretary of the U. S. F. & I. Agency. He subsequently became associated with Albert Wilcox & Co. and the Inland Marine Underwriters Association, where he handled the various classes of inland marine insurance.

### UNPAID EARNED PREMIUMS

The Central Bureau of New York reports that unpaid earned premiums of fire companies for February, 1943, were \$8,919, a decrease of \$2,798 from February of last year. For casualty companies the February figure was \$58,402, an increase of \$3,495.

### CLOSES NEW YORK OFFICE

Jefferson Adjustment Bureau, which maintains offices in Philadelphia, Baltimore, Washington and Chicago, with headquarters in Detroit, is closing its New York office for the duration. T. R. Kelly, who has been manager of the New York office, expects to continue in business in a new connection. The office has specialized in all lines except ocean marine.

### SEIBELS, BRUCE IN N. Y.

Seibels, Bruce & Co. of Columbia, S. C., has opened a New York office at 111 John street, in charge of Walter Gouda, secretary. He has had much experience in the reinsurance field. He received his early training with Phoenix Fire Office of London and later was foreign manager of Central of London. Afterward he served as manager of world business of Rossia of Petrograd and Reinsurance Rossia of Copenhagen.

Seibels, Bruce & Co., are managers of the southern department of Glens Falls, Royal Exchange, Colonial Underwriters, Franklin National and South Carolina for fire and automobile; Glens Falls Indemnity for surety and casualty, and Maryland, South Carolina and Birmingham Fire of Alabama for reinsurance throughout the United States and Canada.

### INSURANCE ALMANAC OUT

The "Weekly Underwriter," 116 John st., New York, has issued the 1943 edition of the Insurance Almanac, one of the best reference books on the subject. It contains comprehensive information regarding insurance companies, organizations, insurance people and in fact one can answer almost anything after looking in the book as to who's who and what's what in insurance. The cost is \$3.

### GETS U. S. TAX REFUND

The Bureau of Internal Revenue has determined an over-assessment of excess profits tax in favor of Merchants Fire of New York of \$21,441 for the year 1940. Most of the over assessment is caused by the elimination of a certain amount included in the taxable income reported in the return. It is determined that such income was overstated.



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## INSURANCE MEN IN ARMED SERVICES

Lieut. Emmett A. Scanlan, Jr., who in civilian life is vice-president of Old American, the mail order accident and health company operated by Thomas McGee & Sons of Kansas City, has been presented the navy and marine corps medal for "heroic conduct as officer in charge of fire fighting groups on board a United States warship." Mr. Scanlan's late father was a member of the Kansas City fire department for 23 years.

Henry L. Carleton, special agent of Fireman's Fund Indemnity in Portland, Ore., has entered the navy. His successor has not been announced.

Sergeant Glen Edelmann of the army air corps, formerly assistant manager of the home office service department of Home, is stationed at the Redmond, Ore., air base. He was for several years manager of the Detroit service office of Home, leaving there to take up his work as assistant to Felix Hargrett.

Edward J. McLaughlin, assistant secretary of Edward F. C. McLaughlin & Co., agency of Peoria, Ill., agency, was commissioned a second lieutenant in the marine air corps at Corpus Christi. His present station is Miami.

Lieut. (j.g.) John W. Wanenmacher, for 11 years manager of the casualty department of the James & Manchester Co. in Cleveland, has reported to a Rhode Island base for service. He is the 61st member of the Insurance Board of Cleveland to enter service.

Cheney Prouty of Kansas City, Kan., past president of the Kansas Association of Insurance Agents and serving his second year as president of the Kansas City, Kan., association, has passed his physical examination for army service. He will have 21 days to wind up his business and personal affairs.

Robert E. Masterson, indemnity and automobile special agent of the Fireman's Fund group in Los Angeles, has been inducted into the army and will report at Fort MacArthur.

Fred O. Summer, formerly with his father, Fred J. Summer, local agent in the south shore section of Chicago, has been advanced to staff sergeant in the army 10 months after enlisting.

Ken Wiltsie, well-known Seattle local agent, has joined the army. The business is being continued by his wife.

Maj. Robert E. Battles, son of Eugene Battles of Los Angeles, Rowan & Co., recently promoted to his present rank, now is assistant military attaché at the U. S. embassy in Mexico City.

Several men of the National of Hartford western department in Chicago now are in the service. William Rennhack, former automobile department underwriter, who has been commissioned a second lieutenant and bombardier at Fort Ellington, Tex. is in Chi-

cago on leave. Arne Nielsen, former automobile department underwriter, has been in Chicago on furlough. He is a private first class in the air force at St. Joseph, Mo. Lieut. Joseph T. Halbert, Jr., former automobile and inland marine underwriter, now is in the army transport command stationed at Aberdeen proving ground, Maryland. Before entering service he was a private flyer and then went through officers candidate school at Fort Benning, Ga. Sidney Bick of the automobile brokerage department entered the navy in June and is stationed at Great Lakes naval training station.

Albert S. Tompkins, local agent of Waukegan, Ill., now has two sons in service. Warren Tompkins has just been commissioned an ensign in the naval air force at the naval air station near Glenview, Ill. and has been sent to San Francisco to await further orders. Paul Tompkins is a civilian pilot instructor at Corpus Christi, Tex. He has been flying for years and has at least 1,000 hours in his log.

Warren Hopkins, formerly clerk of Pacific National Fire in the western department in Chicago, has been inducted into the army and is stationed at Camp Haan, Cal. He is a son of J. E. Hopkins, who operates the J. E. Hopkins & Son agency in Oak Park, Ill.

James Arnold, partner in the Pedigo & Rogers agency, Glasgow, Ky., has been called into the army.

Philip L. Huguelet, son of Charles H. Huguelet, manager of the fire insurance department of Meeker-Magner Co., Chicago agency, has been commissioned an ensign in the naval reserve. He received his gold wings at Corpus Christi, Tex., and is stationed at Hollywood, Fla.

Two assistant examiners in the western department of Fireman's Fund have been inducted into the army. They are Milton Freese, who has been with the group for 15 years, and Orin O. Grove, with 10 years' service.

W. P. Winkler, former field man for National Fire of Hartford in northern Ohio, is now a lieutenant (j.g.) on duty at headquarters of the 13th naval district at Seattle. He entered the service last March. He is located at 2533 12th Avenue West in Seattle.

Edward B. Heffran, Jr., son of Edward B. Heffran, Sr., Illinois state agent of Springfield F. & M., has been commissioned second lieutenant. He served in the North African campaign under Lt. General George S. Patton, Jr.

Lieut. William K. Smith, 26, who was with General Accident in Philadelphia before entering the air force in September, 1941, is a prisoner of war in Germany. Pilot of a bomber, Mr. Smith was shot down in Tunisia.

### English Fire Prevention

The fire prevention campaign sponsored in Great Britain by the fire offices committee of English companies is having an effect. The campaign, says the London "Review," has not yet succeeded in arousing any great enthusiasm or interest with the general public. However, there has been a substantial decline in fire losses. The estimate of £621,000 for April compared with £1,314,000 in April last year and £836,000 in May last year shows the effect of the campaign.

### Bignold Is New Chairman

Ernest Hicks has retired as chairman of both Norwich Union Life and Norwich Union Fire. He is succeeded by Sir C. Robert Bignold, who is the fifth of his name to be associated with the Norwich Union, his great, great grandfather being a founder. The lord mayor of Norwich, Dr. A. J. Cleveland, has been elected a director of Norwich Union Fire.

# SOMETHING to Build on



The financial stability of a progressive company is the firm base on which the forward-looking Agent builds for the future.

This is the ground work on which Agent and Company cooperate to create a structure of protection, service and dependability.

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### AVAILABLE

Young man, five years fire and marine experience with leading company. Desires change, company or agency. Free to travel. Draft classification 4F. Reply S-39, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Secretary-Stenographer, good position, substantial salary; marine insurance experience desired but not essential. Apply Mr. Shields, A-1944, Insurance Exchange, Chicago.

## CHICAGO

## FISHERMEN IN CANADA WATERS

President Fred A. Hubbard and Western Vice-president W. K. Maxwell of Hanover Fire, who have been at Lake of the Woods, Can., on a fishing trip, have returned to their desks. S. M. Buck, western vice-president of Great American, and Assistant Manager R. R. Lippincott of the Western Adjustment in Chicago went up to Lake of the Woods at a different resort and are still remaining there reporting good luck in their catches.

## TILMAN IN DUAL POST

Gale Tilman, for the past 17 years manager of the automobile department of Western Adjustment, has been appointed to the office of general adjuster as well, thus serving in a dual capacity. Since 1915, except for service in the former war, Mr. Tilman has been associated with the automobile business. He started out in the accounting department of the Cadillac Motor Car Co., in Detroit and then went to Newark with an automobile accessory company that failed. The Guerin & Williams agency of Newark had been handling the insurance for this company and Mr. Tilman went with that agency in 1915.

After the war Mr. Tilman joined the automobile department of Northwestern National and traveled in a number of states. Later he became an independent adjuster specializing in automobile at Des Moines and later engaged in the same work in Omaha. His next move was to Western Adjustment.

## WADDELL AIDS WDC WORK

W. W. Waddell, who retired last September as western general agent of Fireman's Fund, is currently breaking his leisure by giving a hand on the renewing of War Damage Corporation policies at the Fireman's Fund office in Chicago. Mr. Waddell has kept himself occupied in his retirement by engaging in civilian defense activities in Wilmette, Ill., where he resides.

## R. A. NELSON HONORED

On the day that he left for induction into the army R. N. Nelson, assistant western manager of Atlas, was presented a military wrist watch by the office staff and field men. Manager F. L. Ludington made the presentation remarks. He has gone to Camp Custer, Mich. R. F. Woltersdorff, who retired as assistant manager, was recalled to the chair and started in his old office Monday. The office force presented him a large bouquet of flowers as a token of welcome.

## EXPECT BUREAU MEETING

While no official action has been taken by the directors of the Western Insurance Bureau as to whether it will hold its semi-annual meeting this year, a number of members have expressed the hope that it will have such a conference. Last year the organization met in Chicago for its semi-annual meeting. The thought is that it would be well to have a similar meeting there this year. The officers and directors will meet in due season to decide the matter.

## KRAUSPE RETIRES FROM FIRM

Harry Krauspe has retired from Stokes, Knauer & Krauspe, agents of the General of Seattle group in Chicago. Ralph D. Stokes and Robert L. Knauer remain members of the firm. The agency office continues at 6471 North Sheridan road.

## INLAND MARINE MANAGER

A top notch man 38 with 14 years field and underwriting experience. Has managerial ability to take complete charge of an inland marine department.

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## COMPANIES

St. Paul F. & M.  
Record Gains in  
First Six Months

For the first six months St. Paul Fire & Marine had net premiums of \$9,211,693, a decrease of \$132,350 from a year ago in the same period. Unearned premiums were up \$113,095 to \$11,688,080, and assets increased \$4,284,088 to a total of \$58,645,289. Surplus gained \$1,424,187 to \$28,346,416.

The company had an underwriting net profit of \$857,319 and there was interest on investment of \$754,159. There was an appreciation in market values of securities of \$1,396,685. The reserve for income tax was \$635,000.

The affiliated St. Paul-Mercury Indemnity showed net premiums in the first six months of \$4,523,192, a decrease of \$191,501. Unearned premiums were up \$77,827 to a total of \$4,720,087. The increase in assets was \$1,331,378, making the total \$19,543,858. Surplus increased \$1,039,131 to \$7,488,317. Underwriting net profit was \$1,217,837, and the company earned \$322,972 on its investments. A reserve of \$978,000 was set up for income tax. The appreciation in market values amounted to \$404,651.

In the first six months Mercury had net premiums of \$1,645,543, up \$191,406. The unearned premium account was \$2,774,459, increase \$110,376. Assets gained \$620,984 for a total of \$8,307,131, and surplus increased \$202,923 to a total of \$3,586,332. The company's underwriting profit was \$101,431, and interest on investment \$135,529. The reserve for income tax was \$83,000.

## Aetna Fire Advances Paulman

Raymond L. Paulman, head of Aetna Fire's agency accounts department since 1941, has been made supervisor of accounts. He joined the company in 1925 after spending seven years in Pratt & Whitney's cost and payroll divisions.

## Washington Increases Capital

Washington Fire & Marine of St. Louis has increased its paid in capital from \$200,000 to \$250,000 by the sale of additional shares to the Industrial Credit Corporation, which is the owner of all the stock. The purpose is to comply with the minimum capital requirements of New York state, where the company will apply for admission.

## South Atlantic Licensed

South Atlantic Fire has been licensed in Georgia. It is sponsored by interests identified with the general agency of John C. Whitner & Co. of Atlanta. It has capital of \$100,000 and surplus of \$10,000. C. F. Whitner, Jr., is president; J. T. Whitner and John C. Whitner are vice-presidents and Joseph Whitner, secretary.

Carolina has declared a dividend of 65 cents per share, plus 5 cents per share extra.

New Brunswick Fire has declared a dividend of 75 cents a share, plus 15 cents per share extra.

## Joins Excess Reinsurance

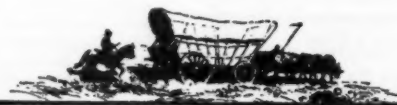
Security of New Haven has joined the Excess Reinsurance Association. This brings the membership to 12: Aetna Fire, American, Camden Fire, Continental, Fidelity Phenix, Fire Association, Glens Falls, Hanover Fire, Home, National Union Fire, Security and Springfield F. & M. The Excess Management Corporation also is sole underwriting manager for the Reinsurance Corporation of New York and the National Reinsurance, making the entire group 14 companies.

## PRODUCTION TIP

Build income and good will by

1. Reviewing all expirations 60 to 90 days in advance
2. Checking them for
  - A. uninsured items
  - B. additional coverages needed
  - C. co-insurance requirements
  - D. improved forms
  - E. and against today's values

No property owner should be allowed to experience either an uninsured or an underinsured loss. This is our constant obligation, the fulfilling of which builds both income and lasting good will.



## THE SPRINGFIELD GROUP

W. B. CRUTTENDEN, President

SPRINGFIELD FIRE & MARINE INSURANCE COMPANY	SPRINGFIELD, MASS.
CONSTITUTION DEPARTMENT	SPRINGFIELD, MASS.
SENTINEL FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.
MICHIGAN FIRE & MARINE INSURANCE COMPANY	DETROIT, MICH.
NEW ENGLAND FIRE INSURANCE COMPANY	SPRINGFIELD, MASS.

## OF FIRE INSURANCE COMPANIES



## NEWS OF FIELD MEN

### Carolinas Blue Goose Elects

The Carolinas Blue Goose at its meeting in Charlotte, N. C., elected Jack E. Smith, Aetna Fire, Charlotte, most loyal gander; M. H. McCowan, Automobile, Greensboro, supervisor; J. W. Bailey, Phoenix of London, Raleigh, custodian; H. G. Turner, Hartford Fire, Columbia, guardian; H. H. Phelps, Home, Charlotte, keeper, and J. F. Satterlee, Atlas, Columbia, welder, reelected. The installation services were conducted by George E. Edmondson, Tampa, Fla., grand guardian.

J. E. Smith was chosen delegate to the grand nest meeting, with Kenneth R. Smith, Great American, Raleigh, as alternate.

Retiring M.L.G. W. W. Philbrick, special agent of the South Carolina Inspection & Rating Bureau, Columbia, presided over the business session at which problems were discussed and seven goslings were initiated. Goslings initiated are Charles W. Lewis of the North Carolina insurance department; Fred W. Johnston and Henry A. Brown, field men; and Dana E. Jester, Jesse L. Pipkin, M. F. Porter and T. C. Stone, adjusters. The meeting ended with a dinner.

### St. Paul's New Setup

D. W. Swanson, former manager in Milwaukee, who has been transferred to Albany by St. Paul Fire & Marine as manager for eastern New York, succeeds Joe Chapman, resigned to join American in the Texas field. Mr. Chapman had been at Albany slightly more than a year and before that was with St. Paul in Mississippi.

N. C. Lane and L. W. Overmann,

who have divided the Wisconsin field with Mr. Swanson, will take over his work there, with Mr. Lane supervising the Milwaukee office.

### Minn. Pond Lists Service Men

The Minnesota Blue Goose has furnished members with a list of those members now in service. The 16 men listed include: Capt. A. G. Goodspeed, Lt. R. O. Belford, Lt. Wm. Freitag, Lt. A. C. Gunther, Lt. M. C. Larkin, Lt. Wm. G. McKnight, Lt. (j.g.) George C. Maxwell, Grant M. Buchanan, Henry Jackson, Allen M. Johnsen, Guy J. McLean, John T. Nichols, Vincent E. Paine, Richard B. Purcell, Neil Selvig and W. W. White.

### Blue Goose Convention Plans

DENVER—Plans are being completed for the annual convention of the grand nest of the Blue Goose to be held at the Broadmoor Hotel, Colorado Springs, Sept. 21-23. S. B. McAllister is chairman of the general convention committee of the Colorado Blue Goose. Committees were appointed. Suitable entertainment will be provided for the visitors.

### Virginia Blue Goose Elects

W. H. Davidson, Richmond manager of the Fire Companies Adjustment Bureau, was reelected most loyal gander of the Virginia Blue Goose. W. P. Hundley, Loyalty group, becomes supervisor; Frank D. Young, custodian of the goslings; J. Cecil Kinnett, B. P. Carter general agency, guardian; E. Ragland Dobbins, America Fore, keeper, and LeRoy S. Hodges, Aetna Fire, welder.

Mr. Davidson was named delegate to the grand nest but it has been decided that instead of his making the trip the

money devoted to the trip should be donated to some military relief organization.

### Illinois Delegates Named

The delegates of the Illinois Blue Goose to the grand nest meeting at Colorado Springs are Don C. Campbell, credit manager western department America Fore, who is most loyal gander, and H. A. Reinebach, Springfield, superintendent Illinois Inspection Bureau, who has been active in the work of the Dan T. Smith puddle in his city.

### President Asks Revival of Crop Cover Program

WASHINGTON—A plea for Congress when it returns from its present recess to provide funds to continue the federal crop insurance program was voiced by President Roosevelt when he signed the department of agriculture appropriation bill, from which Congress eliminated provision for funds to continue crop coverage.

One of the greatest obstacles which confronts the farmer in maintaining a stable income is the hazard of weather, the President said. The crop insurance program was designed to give the farmer protection against having his income wiped out or greatly reduced by unfavorable weather or some other disaster. The protection is sorely needed by small farmers who in most instances have no financial reserve to tide them over until another crop can be made.

The president said he did not feel that the department of agriculture has been given sufficient time to demonstrate the practicability of crop insurance. Any program involving so many complications and such a great amount of educational work with the farmers cannot be placed on a sustaining or entirely satisfactory basis within a few years, he stated. The rural free delivery of mail was termed too costly at the start, as

### Completing Plans for West Virginia Agents' Muster

W. G. Caperton, Jr., of Charleston, chairman of the program committee for the annual meeting of the West Virginia Association of Insurance Agents to be held at the Fairmont Hotel, Fairmont, W. Va., Aug. 15-17, is completing the details of the program. President Ray Evans of Bluefield will give the report of the administration.

On the first afternoon there will be discussion and vote on the new constitution, the discussion leader being C. V. Feller of Mullens. A discussion on the public relations program of the National association and other features of that body will be led by Frank R. Bell of Charleston, state national director. There will be a survey of agency appointments bringing out violations and agency practices led by R. D. Watts of Beckley, former president. At the banquet that evening President Evans will be the presiding officer and the toastmaster will be R. M. Henry of Fairmont.

### Congressman to Speak

On the second day there will be a discussion of legislation, commissions, hospitalization insurance. There will also be an address by Hubert S. Ellis of Huntington, former association secretary, who is now in Congress.

was also the program of rural electrification, both now recognized as a great blessing to the rural population. They have been made to work, the President said, on a practical and satisfactory basis.

The *Unique Manual-Digest's* showings of incomes payable cover practically all life insurance in force today. \$5.00 from National Underwriter.

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of Naperville. The funeral was held in that city.

**Corwin R. Haggard**, 69, of Haggard, Nordstrom & Co., Tulsa, Okla., died from a heart attack after a lengthy illness. Mr. Haggard entered the insurance business in Tulsa in 1916 after serving the American Express Company for 20 years as auditor and city agent in Tulsa for four years. In 1926 he associated himself in the agency field with G. C. Nordstrom, which partnership continued to his death.

**William B. Sullivan**, 47, state agent of Royal-Liverpool in New Orleans, died there. He had been ill some time. He was a native of Alexandria, La., and had been with Royal-Liverpool 20 years, traveling at different times in Louisiana, Mississippi and Arkansas. He was given supervision over the New Orleans territory about five years ago. E. J. Sullivan, state agent of Commercial Union in Louisiana and Mississippi, and T. D. Sullivan, adjuster, Jackson, Miss., are brothers.

**Col. Victor C. Mather**, 63, head of Mather & Co. agency, died at his home in Philadelphia. He was a veteran of the last war and at that time was one of a group of horsemen sent into the western states to scout for mounts for the army. He went abroad as chief remount officer of the First Army and remained in France after the armistice as a military liaison officer with the peace commission. He was in his office a couple of days before his death. The agency was founded by his father, Charles E. Mather. Mr. Mather was a director of the Tradesmen's National Bank and the Sun Shipbuilding & Dry Dock Co. A son, Lieut. C. E. Mather, is attached to the War Shipping Board in Washington, D. C.

**Ned Williams**, son of Edwin G. Williams, prominent local agent at Ash-tabula, O., died of illness at an army base hospital at Macon, Ga. He was a private in the army. A number of field men attended the funeral.

**Mrs. Anna M. Stephan**, 67, widow of John C. Stephan, Evansville, Ind., local agent died at her home there after a short illness. She was associated in the insurance business with her brother, W. P. Detroy, having continued her husband's agency following his death.

**James C. Watson**, 52, treasurer of Virginia Fire & Marine, met a tragic death last week when he fell from a third floor window of the home office building in Richmond. He recently suffered a nervous breakdown but had returned to work a few days before the tragedy occurred. He had been treasurer of the company more than 20 years and in its employ for 35 years.

**Herbert F. Green, Jr.**, formerly special agent of the Virginia rating bureau and previously with the Davenport Insurance Corporation of Richmond, was killed in an airplane crash at Fort Sill, Okla. Already a field artillery lieutenant, he was scheduled to graduate from the liaison pilot officer training school there the day following the tragedy. His father operated a local agency at Amelia Courthouse, Va., for many years. After his father's death, he carried on the agency himself for a time before he became associated with the Davenport agency in Richmond.

**T. B. Wetterstrom**, who was secretary of the Ohio State Pharmaceutical Association for more than 30 years and later with American Druggists Fire, died at his home in Columbus.

**E. O. Birdwell**, local agent in Nashville, Tenn., died there following a heart attack.

**George G. Bohman**, head of the George G. Bohman Co. general agency at Omaha, died there at the age of 61. Mr. Bohman had operated the general agency, which covered Nebraska and Iowa, for 25 years. The agency represented General of Seattle, Ohio Casualty, Gulf of Texas and others.

**Charles Wentworth**, 71, local agent at Durham, N. H., for 35 years, died there. **Liberty Green**, 58, local agent in Lexington, Ky., for 30 years, died there.



"What makes you think he's just trying to collect on his insurance?"

## STOCKS

By H. W. Cornelius, Bacon, Whipple & Co., 135 So. LaSalle St., Chicago, at close of business July 19, 1943

	Par	Div.	Bid	Asked
Aetna Cas. ....	10	5.00*	139	144
Aetna Fire.....	10	1.80*	56	58
Aetna Life.....	10	1.40*	34 1/2	36
Amer. Alliance ..	10	1.20*	24	25 1/2
Amer. Equitable ..	5	1.00	20	21
Amer. Home.....	10	.60*	15	16
Amer. (N. Y.)....	2.50	.25	58 1/2	60
Balti-Amer.....	2.50	.40*	7 1/2	8 1/2
Boston .....	100	21.00	610	630
Camden Fire....	5	1.00	21	22
Contl. Cas. ....	5	1.50*	39 1/4	40 1/4
Cont. N. Y.....	2.50	2.20*	48	50
Fidelity-Phen..	2.50	2.20*	48 1/2	50 1/2
Fire Ass'n.....	10	2.50*	68 1/2	70 1/2
Firem's (N.J.) ..	5	.40	13 1/4	14 1/4
Firem's Fund ..	10	3.00	87	90
Franklin Fire..	5	1.40*	30	32
Gen. Reinsur...	5	2.00	50 1/2	52 1/2
Glens Falls....	5	1.60	43	45
Globe & Repub.	5	.50	9 1/2	10 1/2
Gt. Amer. Fire ..	5	1.20*	29 1/4	30 1/4
Gt. Amer. Ind. ..	2	.20	12 1/4	13 1/4
Hanover Fire...	10	1.20	28 1/2	29 1/2
Hartford Fire..	10	2.50*	103 1/4	106 1/4
Home (N. Y.)...	5	1.60	31 1/4	32 1/2
Ins. Co. of N.A.	10	3.00*	84	86
Maryland Cas.	1	.50	5 1/2	6
Mass. Bonding.	12.50	2.50	77	78
Mer. (N. Y.) Com.	5	2.00*	51	53
Natl. Cas. ....	10	1.00	23 1/2	25 1/4
Natl. Fire ....	10	2.00	64	66
Natl. Liberty...	2	.40	8	8 1/2
Natl. Un. Fire..	20	5.00*	190	197
New Amst. Cas.	2	.97 1/2	28	29
New Hamp.....	10	1.80*	46 1/2	48 1/2
Northern (N.Y.)	12.50	5.00*	106	110
North River In.	2.50	1.00	24 1/2	26 1/2
Ohio Cas. ....	5	.70	21 1/2	23 1/2
Phoenix, Conn.	10	3.00*	93 1/2	96 1/2
Preferred Accl.	5	1.00	14 1/2	16
Prov. Wash....	10	1.40*	36	38
St. Paul F.&M.	62.50	10.00*	304	310
Security, Conn.	10	1.40	37 1/2	39
Sprgfd. F.&M..	25	4.75*	132	135
Standard Accl.	10	2.50	71 1/2	73 1/2
Travelers .....	100	16.00	485	490
U. S. F. & G....	2	1.25*	37 1/2	38 1/2
U. S. Fire.....	4	2.00	52 1/2	54 1/2

\*Includes extras.

## Convention Dates

- Aug. 2, Texas Association of Mutual Insurance Agents, Fort Worth, Texas Hotel.
- Aug. 15-17, West Virginia Association of Insurance Agents, Fairmont, Fairmont Hotel.
- Aug. 20, Oregon agents, Portland, Multnomah hotel.
- Aug. 23-25, Insurance Section American Bar Association, Chicago, Medinah Club.
- Aug. 23-25, International Federation of Commercial Travelers Insurance Organizations, Colorado Springs, Broadmoor Hotel.
- Aug. 27, Washington agents, Seattle, Olympic hotel.
- Sept. 2-3, Minnesota agents, Minneapolis, Nicolet hotel.
- Sept. 13-14, International Claim Association, Chicago, Edgewater Beach Hotel.
- Sept. 17-19, National Association Independent Adjusters, Chicago, Edgewater Beach Hotel.
- Sept. 21-23, Blue Goose grand nest meeting, Colorado Springs, Broadmoor Hotel.
- Sept. 21-22, Insurance Advertising Conference, New York, Hotel Roosevelt.
- Oct. 7-8, Insurance Accountants Association, New York City, Hotel New Yorker.
- Oct. 4-6, National Association of Mutual Insurance Agents, New York City, Hotel New Yorker.
- Oct. 10-12, National Association of Insurance Agents, Pittsburgh, William Penn Hotel.
- Oct. 29, Iowa Association of Insurance Agents, Des Moines.
- Oct. 26-27, Massachusetts agents, Springfield, Hotel Kimball.
- Nov. 15-17, California Association of Insurance Agents, San Francisco, Whitcomb Hotel.
- Dec. 5-6, National Association of Insurance Commissioners, midyear meeting, New York City, Pennsylvania Hotel.

Successful agencies use the Insurance Buyers' Digest for promoting new business. Write The National Underwriter for samples.

## Servicing Fire Insurance Business

L. E. Ellis & Co., general agents at Des Moines, give some advice regarding the writing of farm insurance owing to the high values of farm products. They say: "In the matter of servicing farm policies, there are a few things which we say so often, which we feel we must repeat:

"Don't overlook a building with roll roofing and if the roofing is in good con-

dition add the roll roofing endorsement and charge.

"Don't overlook the item in your farm manual providing outside tornado coverage on hay stackers, hay loaders, hay racks, elevators, etc.

"Add the unearned premium endorsement to every one of your outstanding farm policies, and use it regularly.

"Where a fire department services the

risk, add the fire department charge so that in the event of a loss there will be no controversy over the payment of the fire department expense."

## Parkerson Agency Named by Occidental, Cal.

The Parkerson General Agency of Lafayette, La., one of the largest in the state, has been appointed general agent of Occidental Life of California. Galen B. Black, who has been general agent at that point since December, 1939, becomes manager of the agency's life and accident department.

James D. Parkerson, a prominent business man, is general manager and head of the agency. He is a native of Louisiana and has been in insurance work since he left school.

Rudolph Dupuis is financial manager and Harold G. Bienvenue business agent, directing operations in its various offices throughout southwestern Louisiana.

Mr. Black, well known life man, became an agent of Aetna Life in New Orleans in 1931. In 1934 he was made district agent for southwest Louisiana, operating out of Lafayette. He resigned in 1939, to associate with Occidental Life.

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## Standard for Motor Carriers' Insurers Is Argued

### ICC Proposal Meets Objections from Insurers at Washington Hearing

WASHINGTON—Hearing on proposed Interstate Commerce Commission regulation fixing minimum standards of companies insuring motor carriers operating under its jurisdiction closed with announcement by Examiner William T. Croft that participants may have until Oct. 1 in which to file briefs. Consideration of the record in the case



HARRY L. CALLANAN

by commission officials, therefore, can not be completed until well into the fall.

Only one witness testified at the hearing in addition to Harry L. Callanan, chief of the insurance section, ICC division of motor carriers. He was C. A. Mohrle, president of Federal Underwriters, Dallas, who was called by former Senator Arthur R. Robinson of Indiana, in opposition to the regulation. However, toward the close of the hearing brief statements and arguments were presented by insurance representatives in opposition to the proposed regulation, together with motions to amend its provisions.

### Would Set Up Financial Standards

The ICC proposal is to amend Rule 8 to provide that stock insurers must have capital of not less than \$150,000 and surplus in excess of capital of not less than \$50,000; non-stock insurers issuing non-assessable policies must have policyholders' surplus in excess of all liabilities of not less than \$200,000, and those issuing policies on an assessable basis only must have policyholders' surplus in excess of liabilities of not less than \$150,000.

Opponents of the proposal feel it would discriminate between classes of insurers and interfere with the states' rights of insurance regulation, and that it is beyond the power of the federal government and therefore unconstitutional.

Mr. Mohrle took the view that stock companies should not receive preferen-

(CONTINUED ON PAGE 20)

## Ohio Educational Rallies Scheduled

### Operation of New Auto Financial Responsibility Law to Be Discussed

COLUMBUS, O.—The Ohio Association of Insurance Agents, which sponsored the new Ohio safety financial responsibility law, which goes into effect in September, has called a meeting of representatives of all companies writing automobile liability in Ohio to be held here next Friday afternoon. Plans will be formulated for launching an educational campaign to acquaint the public with the merits and operation of the new insurance act.

The meeting will follow a session in the morning under the direction of Insurance Superintendent Crabbe, at which the extension of safety financial responsibility coverage to motorists who cannot now obtain such insurance will be considered.

With the increased demand for safety financial responsibility coverage, it is believed that companies will modify their present underwriting requirements so that insurance may be provided for minority groups and nationalities which are now experiencing certain restrictions in obtaining coverage.

The Ohio Association of Insurance Agents has declared in favor of the assigned risk plan. The mechanical operation of assigning risks will be discussed at both meetings.

### District Meetings Scheduled

T. M. Gray, secretary of the Ohio Association of Insurance Agents, has announced that district meetings to discuss the new law also will be held in Toledo July 27; Cleveland, July 28, and Hamilton, July 29. The principal speaker at each of these meetings, as well as those to be held in Columbus July 23, will be Roy L. Davis, Chicago manager of the Association of Casualty & Surety Executives. All agents will be invited. At the meetings in Cleveland and Hamilton new trustees of the Ohio Association of Insurance Agents will be selected. Paul R. Gingham, Columbus, counsel for the association, also will speak at the meeting in Cleveland.

Domestic companies writing automobile liability insurance in Ohio have named an educational committee, composed of Ira L. Morris, Buckeye Union Casualty; Carl N. Crispin, Motorists Mutual; Paul R. Gingham, counsel for the Ohio Association of Insurance Agents, and C. W. Leftwich, Ohio Farm Bureau.

A committee on assigned risk also has been appointed with the following members: H. F. Green, State Auto; Mr. Morris and Martin J. Wys, Ohio Casualty.

Officers of the Ohio Association of Insurance Agents headed by E. B. Berkeley, Cleveland, held a conference with

## Graded Cost to Cut Mich. "Comp" Boost

### Forbes Pushes Commission Slash, Wants Overtime Left Out of Premium

LANSING, MICH.—Efforts to make the insurance business, particularly producers, stand most of the burden of the increased benefits of the Michigan compensation law are likely to be successful, statements by Commissioner Forbes indicate. Plans for graded costs and reduction of acquisition cost and administrative expense allowances will, if adopted, nullify rate increases, at least for large risks, without disturbing the portion of the premium allocated for loss payments.

The new compensation law goes into effect July 30 and rates were scheduled to be increased about 22% because of it.

### Breaking Point at \$1,000

Under an agreement made last week at a meeting of the Michigan regional committee in the office of the National Council on Compensation Insurance in New York, Mr. Forbes said, graded costs will apply to all Michigan risks with an annual premium of \$1,000 or more. This will apply to about 2,500 Michigan employers.

Stock company reductions will run from 10% to 17.3%, depending on the size of the risk, the maximum discount being on premiums of over \$100,000, and mutual reductions from 5% to 10%.

Agents' commissions, it was indicated, will be 17½% on the first \$1,000, 12½% on the portion from \$1,000 to \$5,000, 7½% on the part from \$5,000 to \$100,000 and 6% on all above \$100,000.

Mr. Forbes also is hoping for still further reductions by adoption of a new formula. He believes the present system of basing the premium on the total payroll is inequitable, since present payrolls are swollen by overtime and in his opinion there is no additional hazard commensurate with the additional premium. He expects that this phase will be considered by the National Council in the near future.

There has been considerable dissatisfaction with the Michigan compensation rate structure and much criticism from organized labor. Mr. Forbes was directed by Governor Kelly to investigate the situation some time ago.

### Boiler Problems Discussed

RICHMOND—Heating and boiler problems were discussed at the Utility Operation and Institutional Management School here. John Todd, chief inspector of Hartford Steam Boiler, was a speaker.

state officials who will be in charge of the administration of the new law, at which time plans for the administration of the act were discussed.

## Liability of the Motorist Pointed Out

Travelers calls attention to an important factor in automobile accidents which probably is not known to many motorists. They think that if they hit a pedestrian who is crossing the street in the middle of the block it is his hard luck and not theirs, that the pedestrian has the right of way only on the cross walks, hence the motorist can not be held liable if he injures a jaywalker. Travelers calls attention to the decision of the United States Supreme Court where a pedestrian injured while crossing in the middle of the block sued the automobile owner and secured a verdict

of \$15,000. The automobile owner appealed and the case finally reached the U. S. Supreme Court. It said:

"The streets belong to the public; pedestrians have the right to walk on any part of the street or roadway, and that right cannot be taken away. Driving a car is a privilege that may be revoked at any time; therefore, it is incumbent upon the driver of an automobile to see to it that he does not strike the pedestrian."

"The appeal is dismissed and the verdict of \$15,000 against the company is sustained with interest and costs."

## National Council OK's Both Stock and Mutual Plans

### Participating Insurers to Have Higher Initial Rate for Big Risks

Both the program that was espoused by the stock companies and that filed by the mutuals for handling workmen's compensation business were approved by the 16 regional committees of the National Council on Compensation Insurance. The program of the stock companies embraces the guaranteed cost plan and the three alternative retrospective rating plans accompanied by a system of graduated acquisition cost and administrative and audit expense allowances, commencing at \$1,000 of standard premium. The mutual program also embraces a system of expense gradation by size of risk but the gradation is less abrupt than that of the stock companies. Thus in the states in which the programs are placed in effect, the mutual companies will be charging a higher initial rate than will the stock companies.

Rather than increase the number of retrospective rating plans the non-stock members adopted the three plans presented by the stock carriers with the addition of adjustment factors developed under such plans to reproduce the aggregate expense loading for each size of risk. These factors are in the form of additional rating values for each size of risk and are uniform for all states and all retrospective rating plans. They will provide the same aggregate allowances for expense for each size of risk as adopted for the advance discount and at the same time they retain the average contingency loading of 1.0% of standard premium which was adopted by the rates committee.

The programs now will be filed in the various states in which the council has jurisdiction and will become effective Oct. 1, except in those states where rate revision may become effective before that date.

The stock company program will be filed for application of stock company writings and the non-stock program for application to non-stock business.

### Auto Death Figures

According to the U. S. Bureau of Census, 4,714 fatalities occurred as the result of motor vehicle traffic accidents in 40 states, the District of Columbia and New York City during the last quarter of 1942, for a traffic accident death rate of 18.8 per 100,000 population on an annual basis. This was about 45% lower than for the corresponding period of 1941. For the entire year of 1942 the death rate was placed at 19.9 per 100,000 population, a decrease of 33% from 1941.

Of the 4,714 deaths 47.7% were pedestrians, 25.9% drivers and 26.4% passengers. Pedestrian fatalities were higher proportionately than in the previous quarter. The ratio of collision to non-collision fatalities was 6.1 to 1 during this period, compared with 4.1 to 1 the preceding three months. Most non-collision accident fatalities occurred in the rural areas. Motor vehicle traffic accidents occurring between 6 p. m. and 6 a. m. caused 64% of traffic accident deaths.

## Agency Discusses Need of Safe Deposit Coverage

Scarborough & Co., London Lloyds agency, Chicago, in its "Loss Prevention Bulletin" comments on the verdict of \$10,500 recently returned by a Waukegan, Ill., jury in favor of the renter of a safety deposit box in the First National Bank of Highland Park.

The renter claimed he had placed \$10,500 in currency in it March 5, 1941, and that it was not there when he opened his box again on Feb. 3, 1942.

The bank defended the suit on the ground that both keys were issued to the customer and the bank retained only a master key so that it was physically impossible for anyone but the renter to gain access to the box. The bank stated it operated its safety deposit vault in the same general manner as other banks of the same size and that the renter had periods of forgetfulness in which he might have removed the currency from the box. Attorneys for the renter showed that the day door at the entrance to the vault was occasionally left open so that cash and security boxes could be trucked out of the vault and to the tellers' cages on the floor above.

### Bank Is Blamed

Scarborough & Co. points out that the case shows how difficult it is for a bank to convince a jury it is not responsible for the disappearance of money or other valuables from a customer's safe deposit box. It also illustrates how difficult it is to explain satisfactorily the disappearance of anything from a safe deposit box and to convince the public that the bank is not at fault.

The agency then gives several loss prevention rules and safeguards for the operation of safe deposit boxes: Modern equipment should be provided and maintained at peak efficiency; the vault gate should never be left open; keys to unrented boxes should be kept in a key safe that can be opened only by two authorized officers or employees, that is, under dual control; there should never be more than two regular keys to each safe deposit box lock and both should be given to the box renter, who should sign a receipt for both.

Also, new locks and keys should always be provided whenever a box is rented to a new lessee and there should be positive evidence in the form of a record that this rule has been complied with; guard keys should always be under the control of the vault custodian and never permitted to be taken out of the safe deposit department; every person seeking access to a safe deposit box must always be positively identified as one having definite right to such access; a record of each visit should be kept, signed by the renter or other authorized person granted access to the box; the door to a safe deposit box should always be opened in the presence of the customer and it should be insisted that the box not be opened or contents examined in the vault but only in the rooms or booths set aside for that purpose, and the booth should be inspected immediately after its use by a box renter so that if any papers or other property are found they can be turned over to the proper officer and a detailed record made.

### Wheaton Des Moines Speaker

DES MOINES—The Des Moines Casualty & Surety Club held a special meeting to hear a talk by Lieut. Jack Wheaton, formerly Des Moines branch manager of New Amsterdam Casualty, now with the signal corps, on army activities.

Successful agencies use the Insurance Buyers' Digest for promoting new business. Write The National Underwriter for samples.

## Writing Automobile Insurance Under Restrictive Conditions

C. G. Hallowell, vice-president Aetna Casualty & Surety, contributes a word or two in its house organ regarding the automobile lines. He said that the impression that a person gets is caused by the kind of glasses that he uses. They may be dark, roseate or clear.

Mr. Hallowell seems to feel that there is a general agreement that only a small percentage of cars will be laid up this year because of the tire situation. He does say that it is likely that a much more serious condition will develop next year.

In 1940 and 1941, Mr. Hallowell says, the tire sales were unusually heavy. There were some 80,000,000 new tires sold in those years for replacement.

### Synthetic Rubber May Prevail

Mr. Hallowell thinks there is a possibility that within the next several months synthetic rubber may be an extremely important factor. The resourcefulness of the nation in dealing with problems of this kind appeals to him.

Mr. Hallowell says that even if it is assumed that a large number of the older cars will be laid up next year it is reasonable to assume that millions of late model cars will still be in use. There were 7,500,000 new cars sold in 1940 and 1941.

Of the cars which will remain on the road a large percentage, perhaps as high as 70 percent, he says, will be uninsured. Many agents may take the position that they have used all sorts of persuasion and haven't been able to make a dent in the great uninsured field. Therefore they ask why should they expect to accomplish much along this line at the present time.

### Owners in Better Shape

Mr. Hallowell answers that by saying that a great many car owners who previously had not carried insurance can now be sold. Many owners who heretofore have felt unable to buy insurance now have the money to purchase protection. The New York safety responsibility law resulted in the writing of an estimated volume of \$50,000,000 on previously uninsured cars within a few months.

A lot of fire, theft and collision which has been handled by the large finance companies in the past is now available to agents. In Florida alone it is estimated that \$3,000,000 of business in that state has been handled annually by the finance companies and their insurance carriers. This business should now certainly be more available to the agents.

Mr. Hallowell said that agents should be prepared for a wave of shortsighted economy buying. Regardless of conditions, Mr. Hallowell said that agents

### Assistant to Maryland Casualty President

Charles H. Peterson, newly appointed assistant to the president of Maryland Casualty, has entered on his new duties. Mr. Peterson, who has been executive assistant in the bonding division for two years, is the son of A. J. D. Peterson, manager of the bonding department in Kansas City, and was himself eight years in the bonding department in Philadelphia. He joined the company in 1932. All branch offices will report direct to the president through Mr. Peterson.



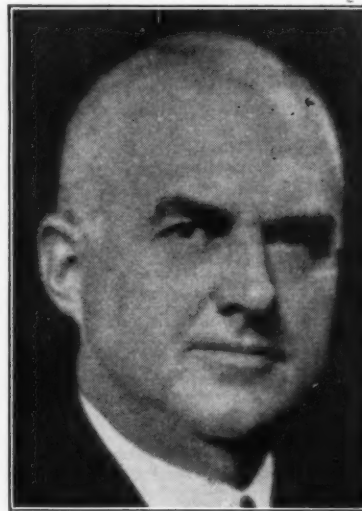
C. H. Peterson

should stress service, stability and reliability so far as their automobile protection is concerned.

### Diversify One's Business

Further, Mr. Hallowell urges agents to build up their business in various lines. He says:

"We have always encouraged and



C. G. HALLOWELL

urged the development of multiple lines by our agents. Under present conditions it seems more essential than ever that agents build up their business in the various lines. We feel, however, that it would be a great mistake for agents to take a passive or negative attitude with respect to their automobile business. This type of business is too valuable not to be cultivated and fought for. Statistics show that the automobile lines make up one-third of the casualty business of the average agent and consequently this business should be watched with unusual care. If agents will make every effort to retain their present automobile business and to get new automobile insurance to take the place of what they may lose, we can see no reason to fear for the future of the business. Agents must, however, deal aggressively with this situation if the issue is to be met successfully. These are times when agents, in order to survive, must demonstrate that they are salesmen."

### More Thorough Neb. Examinations

LINCOLN, NEB.—More frequent and more thorough examinations of books and records of bonded county officers in Nebraska will be the rule in Nebraska after Aug. 29, State Auditor Johnson, in charge of that work, announces. On that date the new law increasing the examining force from eight to 12 will become effective. Except for a few of the smaller counties, all examinations hereafter will be made by two men. Mr. Johnson said that the new setup should decrease costs of audits by bonding companies.

### Liquor Robberies May Raise Rate

COLUMBUS—According to reports, robberies of liquor warehouses and retail stores owned by the state of Ohio may force it to pay higher insurance rates. The first six months of this year 30 robberies were reported in state liquor stores and the state has filed claims for \$14,467 with its insurer. The state's premium is \$8,000 a year but the insurance company has already paid much more than that amount. The contract has two years to run, but may be cancelled on 60 days notice by either party. Most of the robberies of liquor stores were in northern Ohio.

## Four-Year Policies Now Are Common in Boiler Field

The rate war in the boiler field and the consequent wholesale canceling and rewriting of existing contracts is introducing the four year policy, rather than the three year, as the standard arrangement. In the past very few four year contracts were issued. They were most commonly purchased by public authorities so that the insurance would be coterminous with the administration of the particular office holder or board or commission.

Assured are now purchasing the four year policy so as to get the fullest possible advantage of the low rates that are now prevailing. The bottom, insofar as price is concerned, has now been reached in the rate war, it is generally believed, and there is only one way for the rates to go and that is up.

Competition between Hartford Steam Boiler and the bureau companies continues to be intense. There are so many points of difference in coverage and in rates that each side has some telling points to drive home. Sometimes the decision of the assured is made on the basis of a letter of interpretation of the priorities clause. Such an interpretation will be gotten from a bureau company and also from Hartford Steam Boiler and the assured will take the one that seems to be the most liberal, everything else being equal.

## Six Va. Countersignature Cases Are Still Pending

RICHMOND—Still pending before the Virginia corporation commission is the case of six companies charged with violating the countersignature law of the state. Proceedings against Travelers and Universal Life of Richmond were withdrawn when they gave assurance that they had abandoned the alleged illegal practices. Globe Indemnity, Columbus Mutual Life and Reliance Life were given 20 days to comply with the law and when assurances were given at the expiration of that period that they had done so, proceedings against them were dropped.

In the case of the other six companies still facing charges, the question is whether it was necessary for a policy written by an agent in the District of Columbia on a person employed in the District but residing in Virginia to be countersigned by a Virginia agent. As the same point is involved in each of the cases, counsel for the companies filed a joint brief. This is now being studied by the commission. A decision is expected soon.

The six companies are Aetna Life, Connecticut General Life, Continental Casualty, Massachusetts Bonding, Massachusetts Protective and Paul Revere Life.

Proceedings against the 11 companies were brought early in the year by the Virginia Association of Insurance Agents, which was instrumental in effecting the passage of the countersignature law.

### \$10,000 Boiler Loss at Louisville

LOUISVILLE—A boiler-room explosion at the Armour & Co. plant here caused collapse of the 50x75-foot brick building housing it and damage to the plant's refrigeration and electric system, totaling about \$10,000. Leaking ammonia tanks hampered the investigation. Until repairs were completed deliveries of meats were made direct from refrigerator cars. Maryland Casualty carries Armour & Co.'s boiler insurance.

Why did Grandpa blow up the Chick Sale? He lit his pipe, threw the match in the second hole where the crankcase drainings had been dumped.



## Complete Bar Group's Program

### Speakers and Subjects for Round Tables Are Presented

The full program of the insurance section of the American Bar Association at the Medinah Club, Chicago, Aug. 23-25, has been virtually completed by Chase M. Smith, counsel of the Kemper companies and chairman of the section. In addition to the features reported last week there will be the round tables, which are always an important part of the sessions.

On the morning of Aug. 24 the round table on automobile insurance law, with F. B. Baylor, chairman, W. J. P. Aberg, Madison, Wis., will discuss the "Effect of and Problems Arising from Financial Responsibility Laws"; Lenn J. Oare, South Bend, Ind., "Questions Arising from Share-the-Ride Plans," and H. M. Shughart, Kansas City, "Liability Imposed by Statutory Bond or Automobile Policy."

#### Round Tables on Tuesday

The round tables on fire insurance, health and accident, workmen's compensation and fidelity and surety are scheduled for Tuesday morning also, with those on marine law, aviation insurance, casualty, practice and procedure of insurance law, and life insurance Tuesday afternoon.

C. G. Myers, Chicago, will deal with the "Legal Relations between the Company and Its Local Agents Who Issue Policies," to open the fire insurance law session. T. M. Galphin, Jr., Louisville, will give "A Review of Fire Insurance Decisions for the Past Year," and A. Chalmers Charles, New York City, the "Historical Background and Definition of Inland Marine Insurance." F. W. Davies is chairman.

#### Accident and Health Discussion

"Construction of Health and Accident Insurance Policies in Time of War" is the subject of Victor J. Skutt, Omaha, at the accident and health round table, and discussion of the subject will be led by Mark E. Archer, Indianapolis. Bess Blake, Nashville, will analyze "The Insuring Clause in Health and Accident Insurance," with John D. Randall, Cedar Rapids, Ia., handling the discussion.

The program of the session on workmen's compensation will feature "Status of Illegally Employed Minors under the Various Workmen's Compensation Acts," by John F. Hynes, Des Moines, which will be reviewed in a paper to be read by E. Dean Alexander, Detroit; "Trend of Decisions in Silicosis Cases," by W. Edwin Moser, St. Louis, with William Greene, Chicago, reviewing the subject.

Elmer B. McCahan, Jr., Baltimore, will discuss "Surety's Rights as Affected by Claim of United States for Contractor's Unpaid Taxes," at the fidelity and surety round table, and Arthur C. Holmes, Baltimore, will review "Problems of the Fiduciary and His Surety when the Estate Includes an Interest in a Business."

#### Round Table on Marine

In the afternoon, with George E. Beechwood presiding, "Recent Aspects of Marine and War Risk Insurance Affecting Ocean-Going Cargo" will be treated by Hawley Chester, New York City, and "Recent Aspects of Marine and War Risk Insurance Affecting Merchant Vessels" by Roy W. Chamberlain, New York City.

"Aviation Insurance Law in Light of Pending Legislation" is the subject of Webb Shadle, general counsel Civil Aeronautics Authority, at the aviation round table, at which W. P. McDonald will preside. "Air Transport Insurance" will be discussed by E. Smythe Gambrell, general counsel Eastern Air Lines,

## Cincinnati Plans for Study Course in the Autumn

CINCINNATI — The educational course conducted under the auspices of Cincinnati Fire Underwriters Association and the University of Cincinnati will begin with the fall semester. The National Association of Insurance Agents course has been adopted. It will be a two years course running 100 hours. The subjects covered in the first year will include accident and health, agency management, boiler and machinery, fire and allied lines, inland marine and miscellaneous subjects such as aviation and state insurance laws. A certificate from the National association will be issued upon completion of the full course. In the second year of the course subjects treated will include automobile material damage and liability, burglary and plate glass, theft and robbery, fidelity, surety, public liability and workmen's compensation. The classes may be held downtown for the convenience of students in insurance offices. If possible they will be in the late afternoon. Walter Alexander and George B. Wilson are co-chairmen of the committee in charge of the course. Cincinnati chapter of the Insurance Women's Association is cooperating.

Hamilton, O., agents have decided to abandon their plans to conduct a course in that city and will send their students to attend the Cincinnati course.

#### O'Rourke N. Y. Fund Director

NEW YORK — The State Insurance Fund of New York has appointed William O'Rourke acting executive director until a successor to the late Col. Nicholas S. Muller is named. Mr. O'Rourke joined the state fund in 1940 as general attorney and was made acting assistant director of the claims department last December.

#### Responsibility Bill Fails in Mo.

JEFFERSON CITY, MO. — The proposed automobile financial responsibility law was defeated in the legislature here. Missouri is one of the few states which has never had this legislation, despite several attempts by insurance interests.

Atlanta. Discussion leader is Amos Culbert, vice-president American Air Lines.

Talks on "Products Liability" by Sol Weiss, Sr., New Orleans, and on "Contract Liability" by Kenneth B. Cope, Canton, O., constitute the casualty insurance law program. Hugh D. Combs is chairman.

George J. Cooper, Detroit; John Martin, Philadelphia; J. A. Gooch, Fort Worth, and Sam Levin, Chicago, will participate in the session on insurance law practice and procedure. W. E. Benoy is chairman.

#### Talk on "Paul vs. Virginia"

At the general session Aug. 25 Commissioner Gontrom of Maryland will give an address on "Paul vs. Virginia, a Review of the Past and a Look into the Future"; Jennings Randolph, Congressman, will discuss "Aviation Insurance after the War," and then will follow a business session of the insurance section, with election of officers. Chase Smith will preside.

Monday afternoon, the chairmen of the various round table committees will present reports on their subjects, and administrative reports will be given by the following: Program, Walter H. Eckert, Chicago; membership, Henry S. Moser, Chicago, and publications, Lionel P. Kristeller, Newark. George E. Beechwood of Philadelphia will give a report for the special committee on annotation of war risk clauses, and Franklin W. Marryott, Boston, will report for the committee on qualification and regulation of insurance companies.

## Cancellation of Meetings Is Urged

### Director Eastman Declares Conventions Interfere with War Travel

WASHINGTON — Renewal of the request of Joseph B. Eastman, director of ODT, for cancellation of conventions and similar group meetings, may have an effect on plans that are being made for such meetings and the request is being given careful consideration. Convention travel, Mr. Eastman said, is interfering with military and essential war business travel. The passenger transportation problem is now so serious that even those organizations whose conventions would be devoted to matters closely concerned with the war "might contribute more to the war effort by cancelling their meetings."

"Conventions, even small conventions, produce concentrations of passenger traffic which severely impair the ability of the railroads and bus lines to provide adequate passenger service for military and essential war business travel. The passenger transportation problem is now so serious that I feel obliged to renew and reiterate, in the strongest terms, my request for cancellation of all such gatherings."

#### Hear Pittsburgh Convention Report

LOS ANGELES — The Accident & Health Managers Club of Los Angeles heard a comprehensive report on the Pittsburgh convention of the National association by President R. W. Smith of Unity Mutual Life & Accident. He reviewed the discussions of the Beveridge plan and its United States counterpart and said that insurance is not alone in the fight to combat these plans but that other businesses as well are opposed to them.

William E. Lebbey, state agent of Massachusetts Indemnity, chairman of the committee handling the matter of selling accident and health insurance by mail, read a communication from the California department, outlining its position. He said the committee will formulate a bulletin to be submitted to Commissioner Caminetti for approval and, if he so decides, for promulgation to insurance people of the state.

#### To Explain Ohio Law

CINCINNATI — The new Ohio safety-financial responsibility law will be explained to members of the Cincinnati Association of Credit Men by Gustav May, president Cincinnati Fire Underwriters Association July 27. The meeting will be at noon in the credit men's headquarters, Sinton Hotel. The safety aspect of the law is being stressed by insurance company public relations departments and by agents for this feature of the law is of most value to the public.

#### New Ohio Law Attacked

COLUMBUS, O. — Suit has been filed in the common pleas court here by Cliff H. Murfin of Portsmouth, challenging the constitutionality of the new state law which prohibits automobile insurance salesmen from serving as deputy registrars of motor vehicles. The registrar of motor vehicles has been temporarily enjoined from voiding Murfin's appointment as a deputy registrar on the ground that he is an automobile insurance agent.

#### New Bus Rates in Washington

SEATTLE — The National Bureau of Casualty & Surety Underwriters has filed new bodily injury and property damage rates in Washington for buses with capacity in excess of 60 passengers, effective July 20. Bodily rates are 150% of the present classification of over 30 passengers and property damage rates are 110% of that classification.

## Prompt Collections Are in Tune with Times

MINNEAPOLIS — Minnesota agents are being urged to take advantage of war-time credit regulations to improve collections. Calling attention to the fact that the War Damage Corporation requires cash with each application for insurance, one of the large casualty offices in Minneapolis has sent a letter to its agents urging them to take advantage of the movement to pay bills promptly stimulated by the fact that merchants must cut off credit if bills are not paid in the second month following date of purchase.

"Fall in line with the national movement. Ask for the money with the order, insist on part of it and if it is not paid then, set a definite date for payment as soon as possible after the order is given. Time, gasoline, tires, shortage of help, offer additional reasons for suggesting completion of the transaction with the least lost motion. Surely it is not necessary to recount the reasons for watching agency collections."

## Office Burglary Contract Made Standard in Canada

TORONTO — The Canadian Underwriters Association has adopted a standard office burglary and robbery policy, virtually identical with the contract used in the United States. It covers up to \$250 on each of seven insuring clauses: inside holdup, outside holdup, kidnaping, safe burglary, burglary of money and securities from a night depository or home of a custodian, damage to premises and burglary, robbery, theft and larceny from the premises and burglary, robbery, theft and larceny from the premises.

#### Cost of Coverage

The new policy may be written for three years at 2½ annual premiums and may be increased in multiples of \$250 on each coverage. It may be written on business and professional offices in which there is no manufacturing, merchandise for sale, cleaning, repairing, processing, storage or distribution, with a prohibited list of assured similar to that in the American manual. The prohibited list includes auctioneers, banks, bowling alleys, garages, hotels, ice cream manufacturers, pawn brokers, restaurants, theaters and similar risks.

#### CAA Can Insure Planes

WASHINGTON — The Civil Aeronautics Authority has received an opinion from the comptroller-general of the United States that it can buy commercial insurance on airplanes used for training aviation cadets for the armed services. However, CAA has not decided whether it will do this or be a self-insurer.

CAA carries life insurance on such trainees or pays air field operator contractors training them for such insurance, under another opinion of the comptroller-general.

#### Undue Pressure Charged

ROCHESTER, N. Y. — Complaints were made in the Rochester district that some employers have brought economic pressure in encroaching on the free choice of positions by injured claimants for workmen's compensation insurance. Commissioner H. T. Stichman under the Moreland act has been holding hearings. He is seeking further information.

#### Bond for New Army Hospital

LOS ANGELES — U. S. F. & G. has executed a bond for the J. & B. Construction Co., covering its contract with the U. S. Engineers for construction of a new army hospital at Van Nuys, Cal. The contract price is in excess of \$2,000,000. Eight other surety companies are participating.

## ACCIDENT AND HEALTH

### Small Plants Are Good Field for Non-Occupational

NEW YORK—A company that is writing a considerable volume of non-occupational accident and health business finds that it is coming mostly from workers employed in the smaller plants in the medium size cities. Many of these plants have grown tremendously since the beginning of the war and as a group have millions of dollars worth of war contracts. They do not compare in size with the giant corporations, but their aggregate business is of impressive size. Many such plants have not purchased group coverage and the workers are receptive to the idea of accident and health. Their paychecks have not been affected by various deductions for group coverage as those of workers in larger plants. The company is selling little of the non-occupational coverage in Detroit, for example, where many workers are already covered by some type of group insurance.

The company finds that there is considerable resistance to accident and health coverage when the worker already has deductions made from his paycheck for group accident and health, hospitalization, company pensions, social security, withholding tax, and perhaps a local tax of some sort. In its own case, provision must be made for 10 different kinds of payroll deductions, not all, of course, applicable to its entire territory, which is on a national scale.

### N. Y. Hospital Plan Broadens Service

NEW YORK—The 257 member hospitals of Associated Hospital Service of New York have formally approved liberalization of the Blue Cross 3-cents-a-day plan to provide additional services for 1,365,000 members in the metropolitan area.

In addition to providing hospital bed and board, prescribed diets, general nursing care and anesthesia when administered by a hospital employee, Blue Cross members who occupy semi-private accommodations will now receive substantial added benefits. Operating rooms may be used as often as necessary, the former \$25 limitation being removed. All x-ray examinations consistent with the treatment required will be provided, the \$25 limitation being waived. Laboratory examinations, formerly held to \$20, are now limited only by the need. All drugs and medications are now provided, as are all dressings and plaster casts. The use of the cystoscopic room, cardiographic equipment, and physio-therapeutic equipment

### Fifty Years



H. R. KENDALL

The field men and home office staff of the Washington National, Evanston, Ill. are joining in a 50-day celebration in honor of H. R. Kendall, chairman of the board, who will have completed 50 years in the insurance business Sept. 23. The slogan of the campaign is "Fifty Days of Production for Fifty Years of Service." Mr. Kendall started with Prudential 50 years ago and was one of six brothers who were connected with that company. He has been at the helm at the Washington National since its organization.

are made available at no added cost, as are basal metabolism tests. After 21 days of hospitalization, members receive a 50% discount for an additional period up to 90 days on all regular hospital charges including the services listed. The rate of payment to hospitals has now been increased to compensate them for this more comprehensive service. An extra allowance is likewise provided for those members who wish private room accommodations. Memberships are now available to men and women under 60 years of age who cannot enroll through a place of employment.

### Accidental Death Benefit Need Is Demonstrated

The need for accidental death benefits for a man in military service, despite the exclusion of death due to participation in military activities, is aptly demonstrated in a claim paid by Midland Mutual Life. In September, 1940, the insured at age 26 purchased a \$1,000 life policy with accidental death benefits. While stationed at Fort Dix, N. J., he went canoeing and was drowned. The beneficiary was paid \$2,010.

### Virginia Hospital Ordered to Stop Selling Insurance

RICHMOND—On the ground that commissions and other expenses paid on contracts were excessive, the Virginia state corporation commission has revoked authorization of the Northampton-Accomack Memorial Hospital to sell contracts for hospital insurance. At the same time it suspended licenses of H. W. McCann and W. H. Stevenson, salesmen employed by the hospital.

Pointing out that the Virginia securities law forbids a cost in excess of 20% on any insurance contract except by special permission of the commission and in no case in excess of 30%, the

order of that body set out that the hospital's report for the period since the beginning of the current fiscal year shows a cost of 32.3%. The cost of handling contracts in 1942 was 37.7% and for the second quarter of 1943 it was 31%, the order recited.

Existing contracts for hospitalization are not affected by the revocation, the order expressly provided, but the hospital must discontinue the sale of hospital insurance contracts because of the excessive commissions and costs.

### Modern L. & A. 20th Anniversary

Modern Life & Accident of Chicago is celebrating its 20th anniversary next week. Ralph Manno, president, organized the company and has been president since its inception. He started his insurance career in Chicago 27 years ago. The company specializes in the health, accident and hospitalization coverages.

### Sterling's New Offices

It was stated in the headline in a recent issue that Sterling of Chicago had purchased the property at 737 North Michigan avenue where it will have its home office. Sterling does not own the property. A syndicate in which some of the Sterling officials are interested

bought the property and Sterling is leasing office space. It will be known as Sterling building.

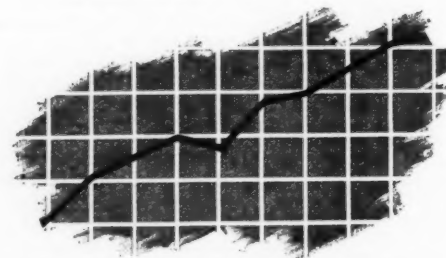
## COMPENSATION

### Texas Hearing on Four Rate Plans

AUSTIN, TEX.—J. P. Gibbs, casualty insurance commissioner, announces that the Texas board of insurance commissioners will hold a statewide hearing on workmen's compensation insurance rating matters Aug. 19 in Austin.

The subjects set for consideration include four optional rating plans; the first, a guaranteed cost plan, and the other three, retrospective rating plans. All four of the proposed rating plans give credit in the premium to be paid by the employer for the savings arising out of the gradation of expenses according to premium sizes. The three retrospective plans are designed to bring about a reduction in the cost of insurance to the employer when losses from accidents are reduced. Advocates

### Business is Good



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Even before the United States was forced into the war, we could visualize a lot of changes and challenges in selling insurance. So we invested every hour and every sound thought in our number one wartime job . . . HELPING OUR AGENTS. We created and produced special wartime agency help—new ideas, new approaches, new policies. And the effort has proven profitable to all our agents as well as to this company which is "old enough to KNOW, yet young enough to GO."

All of our efforts are assembled in the ACCOPLAN of selling. And it's making wartime business GOOD for our agents.



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CASUALTY • FIDELITY • SURETY

### WANTED PAYROLL AUDITOR

By casualty company's Chicago branch office, to supervise and make audits. In letter give full qualifications; good draft status. Fine position for the right man. Address S-40, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

### WANTED

Experienced Casualty Insurance Adjuster by established, independent adjustment bureau. In reply give age, experience and references. Address S-38, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.



of the plans contend that they would tend to induce a greater number of employers to inaugurate safety programs calculated to reduce accident frequency and severity.

The four plans were submitted by the Texas Association of Insurance Agents.

#### Sell on Merits Only

TAMPA, FLA.—Members of the Florida Association of Insurance Agents are being urged to heed the suggestion that agents cease using compensation as a lever in securing other casualty business which was made at the state meeting by Walter Rountree of the Florida industrial commission. In calling attention to the statement, J. P. Lassiter, Leesburg, chairman compensation and casualty committee, urges agents to solicit compensation in the future entirely on its merits and to comply with the industrial commission's request.

#### Florida Hearing July 29

TAMPA, FLA.—The Florida insurance commissioner has tentatively set July 29 for the usual public hearing on compensation rates and other compensation questions.

#### Reduce Mass. Farm Rates

BOSTON—The Massachusetts Rating & Inspection Bureau announces the minimum premium for workmen's compensation insurance on farm workers has been reduced from \$39 to \$30, effective June 1. The classification includes all farm employees other than servants.

## CHANGES

#### W. F. Frakes Goes with Indemnity of N. America

William F. Frakes has been appointed senior underwriter in the fidelity department of Indemnity of North America at the head office.

Mr. Frakes entered insurance in 1924, when he became associated with a contracting firm doing field work for Southern Surety. Three years later he joined Southern Surety at Des Moines in the surety claims and accounting department.

In 1930, when Home Indemnity was organized, Mr. Frakes became associated with the home office, where he continued in surety claims and accounting. Five years ago, he began doing specialized work in its fidelity and surety bonding department, later becoming its assistant manager and, for a time, acting manager.

#### Oliver in Illinois Field for Emmco Companies

Emmco Casualty and Emmco have appointed Del Oliver as special representative for southern Illinois, with headquarters at 714 Myers building, Springfield. Mr. Oliver replaces O. B. Perry, who has returned to the home office in South Bend to assume new duties there.

Mr. Oliver started with Emmco in New York state in 1937 and went to the home office in June, 1940. He has been

#### National Bureau Offices Have Additional Work

The manpower situation is having an effect on the National Bureau of Casualty & Surety Underwriters branches throughout the country. Companies and agencies have lost a number of men and some of them are those that worked out rates where there was no manual figure. In other words, the rates had to be built up. Therefore the branch offices and agents get in touch with the National Bureau and enlist its service in making the rates. The bureau offices are called upon to make more inspections than ever.

assisting Thomas F. Shortall, vice-president, in the agency department.

#### Dobyns Leaves Business

James P. Dobyns, advertising manager and manager business extension department of Lumbermen's Mutual Casualty, has been appointed manager of sales and service of Advertising Publications in Chicago. He has been with Lumbermen's Mutual Casualty for seven years.

#### Entriken Memphis Head

H. Barrett, manager of the Memphis service office of National Surety, has

entered the army and during his absence R. E. Entriken, assistant manager, will be in charge with the title of acting manager. R. H. Williams, a former special agent in Texas and Oklahoma, will assist Mr. Entriken as office manager.

#### Davis Leaves National Auto

W. H. Davis has resigned as agency superintendent of National Automobile of Los Angeles. His future plans have not been announced.

S. D. Gordon, with Travelers in Des Moines for a year and a half, has pur-

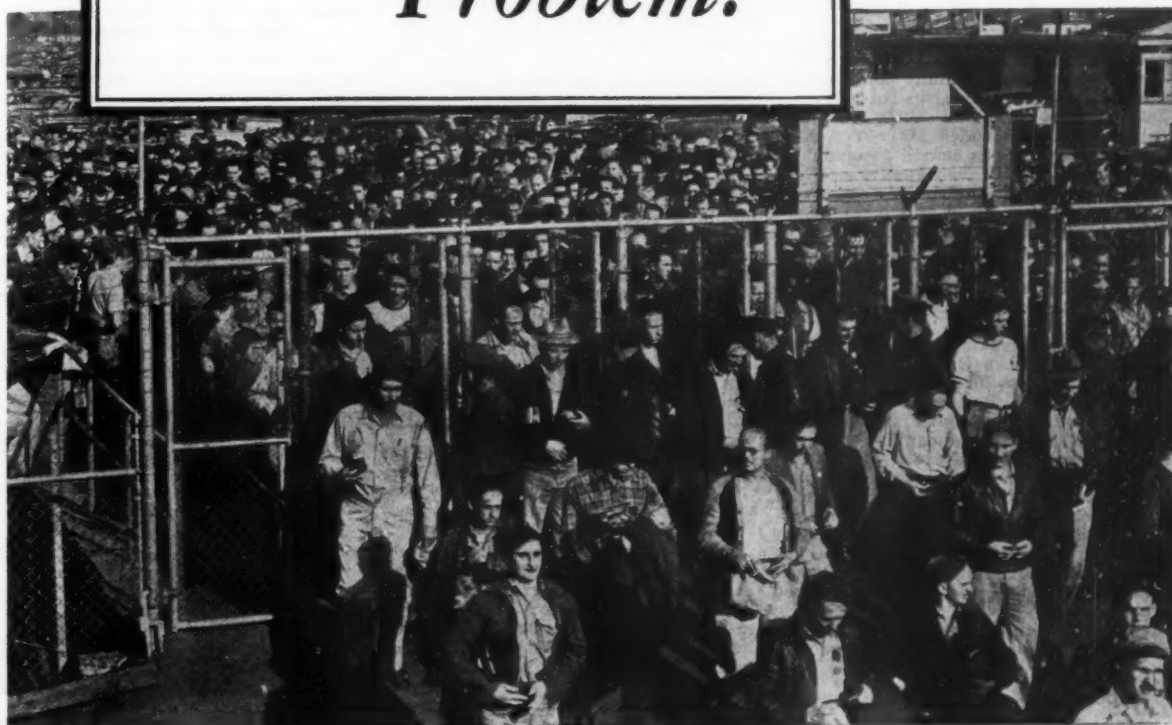
chased the business there of C. F. Freel, also of Travelers, who has become field supervisor of Continental Casualty.

Robert Weber has been appointed field representative of Travelers Indemnity in Des Moines. He formerly was in Wichita.

"Summer Care of the Victory Garden," is the title of a film produced by the motion picture bureau of the Aetna Life companies and approved by the National Victory Garden Institute.

The *Unique Manual-Digest* gives "everything you need on a case," \$5 from National Underwriter.

## Fidelity Problem?



War is a grim teacher on the home as well as the battle front. Quick decisions are necessary but a tremendous price is sometimes paid for haste. With industry under great pressure to produce, more consideration is naturally given to the efficiency than to the honesty of its rapidly expanding personnel. Fidelity bonds solve this problem.

Reinsurance is your protection against crippling losses. Our fidelity department offers you efficient and complete facilities. It is one of the important benefits of placing your reinsurance with the Excess Insurance Company of America.

#### CASUALTY

FIDELITY & SURETY

REINSURANCE

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INSURANCE COMPANY OF AMERICA  
NINETY-NINE JOHN ST., NEW YORK CITY

## NEWS OF THE CASUALTY COMPANIES

### Notices Sent for Sale of Stock of Associated Cos.

SAN FRANCISCO—A proxy statement and a "consent of stockholder to sale of assets" has been sent all stockholders of Associated Insurance Fund, holding company for stock of Associated Indemnity and Associated Fire & Marine, as of the close of business July 16. Stockholders have 20 days from that date to file certified copies of the consent which is irrevocable up to Sept. 3.

The amount of money placed in escrow with the Wells Fargo Bank & Union Trust Co. of San Francisco for "undisclosed clients" is \$3,455,000 or \$10 per share for the 345,500 shares outstanding. This is the par value. The stock has been selling this year as high as \$8.82 per share. However, the purchase offer is for stock of the two insurers.

The consolidated financial statement of Associated Insurance Fund, including Associated Indemnity and Associated Fire & Marine, as of May 31 shows total assets of \$12,092,801. For the five months ended May 31 Associated Indemnity has earned premiums of \$3,645,584 and an indicated gain from underwriting of \$461,028. Its assets as of that date are given as \$10,809,190.

In its proxy statement the board of directors says that it has not formulated any plan for liquidation of Associated Insurance Fund, or the distribution or use of the proceeds of the sale.

In its letter making the offer the bank says: "Our client wishes you to know and you may so advise the officers and employees of Associated Indemnity and Associated F. & M. that, if the sale is consummated, our client is acquiring the shares of capital stock of the two insurance companies as an investment and with the intention on the part of our client of continuing the present organizations of the two companies at their present locations and, so far as possible, maintaining the present structure of the business of each of the two companies."

It has been indicated that the purchaser is another insurance company.

### Report on the Peerless

The New Hampshire department has issued a report of the examination of Peerless Casualty of Keene, N. H., as of Dec. 31. Its surplus including contingency reserve of \$59,223 is \$759,223, assets \$2,901,982. It owns bonds \$2,246,263 and cash \$302,596. The report says that loss liabilities are amply provided for by reserves set up in the

### Pacific Employers Celebrates 20th Anniversary

LOS ANGELES—Pacific Employers, which is celebrating its 20th anniversary this month, has shown a substantial growth in its first two decades. During its first four years Pacific Employers specialized on compensation and has built up the largest volume on this line in the state. In 1942 its compensation premiums totaled \$9,955,189, while its total premium income was \$12,102,561.

Since it started writing automobile lines in 1927, Pacific Employers has gradually expanded until it now writes practically all casualty lines in nearly every state west of the Mississippi River. Further extension of territory is now being planned.

Starting with a paid-in capital of \$150,300 and a paid-in surplus of \$75,150, Pacific Employers gradually increased its capital to \$500,000 in 1937. Surplus is now \$1,000,000 while assets last Dec. 31 totaled \$11,750,826. Dividends to policyholders in the last 20 years have totaled \$5,841,926 in addition to dividends to stockholders.

President Victor Montgomery, who formerly was actuary and deputy insurance commissioner of California, was one of the founders of the company, having been secretary at the time of organization. He has continued in an official capacity ever since, and has been the directing head of the company for the greater part of its history. W. R. Kilgore is senior vice-president.

## PERSONALS

G. H. Garretson, general agent of the accident and health department of General Accident in Chicago, and his wife are spending a few weeks at Blaney Park, Mich., on vacation.

G. B. Schwoebel, supervisor of the New Jersey financial responsibility law and the accident reporting division of the New Jersey motor vehicle department, has rounded out 20 years with the department. He started as an office boy and was appointed to his present position in 1929.

Louis L. Roth, general agent of London Guarantee & Accident, has been appointed chairman of the downtown division of the Greater St. Louis War Chest Campaign.

amount of \$748,811. The claim files were examined and all settlements were found fair and equitable.

## DEATHS

Secretary Harry R. Graham of General Accident in New York City has been notified by the Navy department that his only son, **Ensign Robert P. Graham**, who was listed as missing in action after the battle of the Coral Sea early last year, must be presumed to be lost. Ensign Graham was assistant gunnery officer on the destroyer Sims, which was sunk in the Coral Sea battle. He entered the navy in 1940 and was detailed to train naval cadets until he was transferred to the South Pacific. A memorial service was held for him Sunday at St. Paul's Episcopal Church, Riverside, Conn.

**Frank J. Sheahan**, compensation underwriter in the office of the Meeker-Magner Company at Chicago, died Tuesday at the Tuberculosis Sanitarium. He had been connected with the office for more than 20 years.

### Assured Is Held Not in Violation of Any Law Following an Attack

The Louisiana court of appeals, second circuit, affirmed the lower court in *Lafield vs. New York Life*. The beneficiary instituted the suit to recover under the double indemnity provision, the policy being issued to her husband, who died as the result of a bullet wound inflicted by one Brown. Lafield and Brown were seen wrestling in a vacant lot and during the struggle Lafield cut Brown with a pocket knife.

At the conclusion of the struggle, Lafield started walking toward his parked car and had almost reached it when Brown, who followed him, fired a shot into his back, calling, "You can't cut me and get away with it."

The court held that the plaintiff had the burden of proof in establishing that the death was the result of an accident and that when this fact was established the burden then shifted to the company to show by a preponderance of the evidence that the loss arose from a cause for which it was not liable or from a cause which limited its liability. The plaintiff was held to have sustained her burden of proof and the question presented was whether the company had sustained the burden of proving that the death was due to a violation of the law by the insured and its liability was limited to the face value of the policy. The court held that the company failed to sustain the burden of proof in this respect. Where the assured abandons an assault, and while in good faith was retreating to avoid further difficulty, is killed by his adversary, the death is not in violation or attempted violation of any criminal law, the court decided. Judgment, therefore, in favor of the plaintiff was affirmed.

Successful agencies use the **Insurance Buyers' Digest** for promoting new business. Write The National Underwriter for samples.

## Safety Questions

Asked by C. R. Welborn, secretary of Underwriters' Laboratories

Why does anyone in this great country of ours have to suffer injury or death from a tornado or hurricane when their occurrence areas are so well charted? We seem to prefer spending public funds in projects to beautify city parks rather than provide dug-out shelters in these areas.

Why does it take a Coconut Grove holocaust to get public assembly places properly built and arranged for emergencies? Read the names of the defendants and the charges for which they have been indicted, as reported by the National Fire Protection Association, and find what an indifferent citizenry means in the matter of proper government for safety law enforcement.



UNEQUALLED, ALL-COVERAGE

## PROTECTION

yet it doesn't cost one penny!

Suppose you had a policy like this to sell — protection for everything you hold dear — your family, home, business, your very way of life.

Protection backed by a company that's been growing and doing business honorably for over a century and a half—a company whose assets total not millions but billions. Premium payments? There aren't any. This all-coverage protection is yours

at no cost. In fact you are paid for carrying it.

Such a policy sounds like a cinch to sell, doesn't it! Funny isn't it then how many of them go begging every day at windows marked U. S. War Bonds!

As men who know the meaning of the word protection, insurance men must surely be in the forefront of U. S. War Bond buyers and boosters.

**R. N. CRAWFORD & CO., Inc.**

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**FEDERAL LIFE AND CASUALTY CO.**  
DETROIT - - - MICHIGAN



## McGee Assails War Department Rating

(CONTINUED FROM PAGE 1)

the producers' income is drastically reduced, but expect the agent to make the sacrifice.

"Recently the statement was made by individuals in governmental agencies that the insurance was a government development and the producer is not necessary to sell the insurance.

### First Commission Scale

"Under the original government plan, which is largely the work of theorists and college professors, it is provided that the carrier be paid a premium of 90% of the standard premium. Under this plan the commission to agents was set at 7½% for premiums up to \$10,000 and then, on a sliding scale, down to one-half of 1% on premiums of \$500,000 and over.

"Committees of the National Association were asked to approve the plan to apply only to cost-plus contracts. They objected, but finally, under pressure that there was a national emergency, agreed to go along. The plan later was enlarged by the government to include liability and automobile coverage. Again, under similar pleas the National Association went along.

"Another change was sprung, under which the assured paid only 50% of the premiums. Concurrently, another change was made by which commissions to the producer were to apply to the 50%, thus cutting the producer's commission in half.

"Next the war department asked the insurance commissioner to apply the plan to so-called lump sum contracts, and to apply it to all classes of risks engaged in any war activity where the premium is \$5,000 or more.

### Effect Will Be Disastrous

"If this is permitted to go into effect, testimony of company executives indicated that 75% of their casualty business would be affected and will give producers commissions varying from a maximum of 3¼% to one-fourth of 1%. No office can do a general business and maintain itself upon the scale of commissions indicated.

"The insurance commissioner called a hearing in the matter for June 17. Representatives of the war department, navy department, Maritime Commission, Associated General Contractors of America, Builders Exchange of California, San Francisco Home Builders Association, California Association of Painters, insurance companies and the National and state associations of insurance agents were in attendance. After lengthy discussions the commissioner named a committee to study the matter and report its findings. This committee met, and the meeting resulted in a deadlock. Every element in attendance protested the plan, save the governmental agencies' representatives, who insisted the plan must go through without compromise, if at all.

### Applies to Everything

"The plan is applicable not only to construction contracts, but to everything where government buys under contract: canned fish, clothing, foods, iron, or anything else. And it will apply to every sub-contractor, as well; thereby disrupting all of the normal insurance processes.

"The insurance commissioner has suggested the association officers go to Washington in an effort to convince the governmental agencies that the proposed extension of the plan is inequitable.

### No Help From Companies

"There are a few company men who have expressed their approval of the English system in contrast to the American agency system, and favor the negotiation of the insurance between government and contractor, leaving the producer's fee a matter of negotiation with the governmental agencies. We

have been told in Washington that the producer had no part in the picture as regards the rating plan.

"Insurance is the second largest business, that can be classed as a profession, in this country, yet it is the only business of any magnitude that does not have a public relations program. The National Association at Chicago, and again at Tulsa, mandated the officers to create a public relations program, and the officers are proceeding in accordance with that mandate."

### MAY COMPROMISE ON HILL PLAN

SAN FRANCISCO—It is reported that the committee appointed by Commissioner Caminetti to study the petition of the war department to extend its comprehensive rating plan to lump sum contracts has reached a compromise agreement. No public report has been made and none is expected until the commissioner has had a chance to study the findings.

Unofficial reports indicate that government representatives were insistent that producers must abide by the origi-

nal decision. One of the government men in the meetings was Harold Gates of the Maritime Commission, formerly with Globe Indemnity in the east.

### BELIEVE AGENTS BEHIND MCGEE

NEW YORK—While the National Association of Insurance Agents has not taken any official position on the argument over the extension of the war projects rating plan to lump sum contracts, observers believe Harold McGee, member of the committee on public relations, was speaking for the association in his recent attack on the scheme in Los Angeles. Mr. McGee is known to be a forthright critic of the various government plans and was previously a prominent critic of the lack of force in the National Association's Washington office. However strong his personal views, it is regarded as certain that as a member of the public relations committee he would not have spoken out in public without knowledge that the organization is back of him.

Mr. McGee and Harry Perk, Jr., national executive committee member, are expected here late this month for a meeting on the public relations program.

## Have Right to Expect Floor with No Holes in It

A hole which had been bored in a floor when a trap door to a basement had been constructed many years before caused an accident which resulted in a \$3,000 verdict against the defendant in Long vs. F. W. Woolworth Company. The heel of Mrs. Long's shoe slipped into the hole, catching her shoe and causing her to fall. Suit for her injuries resulted in a verdict of \$3,000, which, however, was reduced to \$2,000 by the court. On appeal the defendant's argument was that the condition of the floor was perfectly obvious and therefore the plaintiff's evidence failed to show her in the exercise of due care as she walked down the aisle of the store. Her testimony was that she did not see the hole and did not know it was there until two weeks after the accident when she returned to the store. The defendant contended that the hole was no larger than a penny, while the plaintiff's evidence was to the effect that it was about the size of a heel tap on a lady's high heel shoe. In sustaining the judgment the Missouri supreme court said Mrs. Long had reason to expect one thing—a floor with no holes in it—and without warning was met by another.

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TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY  
RECOMMEND. OTHERWISE USE APPLICATION NO. 161

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Chicago—175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING PROBATE BOND, WAITING APPLICATION:

for ANY PROBATE  
BOND—ANY AMOUNT

AGENTS ORDER BLANK FOR BOND, OTHER FIDUCIARY OR SURETY, WHERE APPLICATION IS  
TO BE WAIVED  
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY  
RECOMMEND. OTHERWISE USE PROPER APPLICATION

Western Surety Company  
Sioux Falls, South Dakota  
Chicago—175 W. Jackson Blvd.

We (I) hereby request you to issue a bond contract application on behalf of:

for any and all BONDS  
EXCEPT FIDUCIARY

AGENTS ORDER BLANK FOR SMALL PROBATE BOND, WHERE APPLICATION IS  
TO BE WAIVED  
TO BE USED ONLY FOR SELECT RISKS WHICH THE AGENT CAN UNQUALIFIEDLY  
RECOMMEND. OTHERWISE USE PROPER APPLICATION

Western Surety Company  
Sioux Falls, South Dakota  
Chicago—175 W. Jackson Blvd.

PLEASE SEND ME THE FOLLOWING SMALL PROBATE BOND, WAITING APPLICATION, JOINT

for SMALL PROBATE  
BONDS—Under \$5000

because

They SAVE TIME...

SAVE EMBARRASSMENT

...SAVE EXPENSE

And, they are designed to make it easier for you to write more preferred business at greater profit. They do away with application which you can unqualifiedly recommend.

You can't possibly know how these new, modern business-building order blanks help you make more money until you have tried them. Our agents are really enthusiastic about them, because they bring them extra business and extra dollars.

Why not join our agency force and make extra money for yourself. Start now by sending for a supply of order blanks.

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One of America's Oldest Bonding Companies now in its 43rd Year

## Standard for Motor Carriers' Insurers

(CONTINUED FROM PAGE 13)

tial treatment over assessable companies in the matter of surplus required. He forecast inevitable conflict between federal and state regulatory authorities if the regulation is adopted.

Mr. Robinson brought out that only 75 or 80 bonding agencies are accepted by the Treasury Department; that, under the law, they must be stock companies. That was for the protection of the public funds, he said, but he could not see how that principle of setting up acceptable companies could be extended by the ICC to companies insuring motor carriers against loss or damage affecting private property.

### Objects to ICC Evaluation

The proposed regulation provides that computation of assets and liabilities of the insurer shall be on the basis of the commission's evaluation. On behalf of the American Mutual Alliance, Counsel John J. Wicker, Jr., suggested that the evaluation be accepted as approved by the insurance department of the home state of the insurer or as set up by an examination and report made by or under supervision of the National Association of Insurance Commissioners, whichever is the latest. This, Mr. Wicker said, would prevent confusion by avoiding duplication of examinations and preventing conflict between ICC and state insurance departments.

Mr. Wicker urged that nothing be done by the ICC to eliminate any solvent carrier, even though it might be small, and that there should be no duplication of company examinations by state officials and the National Association of Insurance Commissioners.

### Would Lead to Duplication

"The expense of examinations of the larger companies runs into tremendous amounts," said Mr. Wicker. "If there is no intention of doing anything other than what has been done, as Mr. Callanan stated, then there is no necessity of a rule that would enable the commission to examine all companies. That would lead to conflict, duplication of expense and a chaotic situation."

Mr. Robinson asked that the required surplus of non-stock companies writing insurance on an assessable basis only be \$50,000. The proposal is unfair to assessable companies, he said, because it would require them to have \$150,000 surplus, compared to only \$50,000 surplus required for stock companies.

E. S. Kochersperger, representing New Jersey Manufacturers Casualty, said the proposed rule should be amended to cover a special class of stock corporations operated on a mutual basis that would be required to maintain \$200,000 surplus funds.

Mr. Callanan occupied the entire morning with his testimony, including cross-examination by Roland Rice, representing American Trucking Association; I. S. Markel, vice-president American Fidelity & Casualty; Senator Robinson and Mr. Wicker.

Mr. Rice endorsed the recommendations of the ICC insurance bureau and expressed the "hope and belief" that "it will not seriously restrict the market." He obtained permission to file within 20 days an affidavit concerning the position of Oregon Automobile.

### Should Accept State Examinations

In his cross examination of Callanan, Mr. Markel made it clear that his people did not want federal examination of insurance companies, that federal authorities should accept state examinations.

Mr. Robinson said that under ICC practice, some 35 or 40 companies were eliminated from doing business. When Mr. Callanan said there had been no contest over such elimination in the courts, Mr. Robinson stated that if there were such a contest, the ICC would lose because insurance is not commerce.

Under cross examination by Mr.

Wicker, Mr. Callanan admitted that "it is possible for a company with a small surplus transacting a small business, in comparison with a larger company, to appear to be relatively stronger than the larger company."

Mr. Wicker wanted to know if standards may be increased later. Mr. Callanan replied that if companies with \$200,000 "begin to blow up in our face, we might have to enlarge the minimum standard." However, he stated, he had no idea it would be increased next year; that the proposed minimum requirements should be tried out for a reasonable length of time, sufficient for the commission to determine whether they would be satisfactory. He added, however, that he might have to consider the matter within six months if conditions became such that many companies failed.

### FAILED COMPANIES

In his direct testimony Mr. Callanan said that of 440 companies filing with the commission 21 have failed. Of these 18 were mutual and three stock companies and nearly all had less than \$250,000 policyholders' surplus. Under the proposed standards only three would have failed, he said. State standards have frequently proved inadequate. He stated that the commission would never be in a better situation to prescribe minimum standards, which would be a step in the right direction. There would be as little disturbance as possible. Eighty-two companies have surplus funds exceeding the minimum, while 322 companies qualified to file with ICC possess resources over \$1,000,000 and insure 89% of the motor carriers.

More than 4,000 certificates were on file with the ICC from the 21 failed companies, Mr. Callanan said. Some 25 or 30 "unsatisfactory companies" had been eliminated from the type of business concerned in the regulation. These eliminations occurred under Rule 9 of the motor carriers insurance regulation, he said.

When Mr. Wicker suggested that ICC evaluation of company assets and liabilities would double the work and expense of state and convention examination, Mr. Callanan insisted that nevertheless the commission should have the right to make such examinations, although he declared there was no intention to exercise the right.

Mr. Callanan indicated that in certain cases the ICC had called attention of state departments to the shakiness of certain companies, upon which the state "closed in."

Under the proposed standard, Mr. Callanan said, new companies filing with ICC would have to make a showing as to assets, etc., but that he was "not raising any question" about the 417 companies that already had filed. A maximum of 12 companies would be affected, he declared. He said it was not proposed to do anything else about examinations other than what his insurance section is doing now; that he did not plan to build up a large staff, but the work would be continued by three persons.

### Suggested 60 Days Leeway

He proposed that companies be allowed 60 days in which to advise ICC whether they would comply with the proposed requirements within six months.

Among other insurance men and interests at the hearing were: H. C. Smyth, vice-president and assistant secretary, and C. W. Peterson, vice-president, Virginia Automobile Mutual; Frank P. Weiler, assistant secretary, Selected Risks Indemnity; Morris Gewirz, president, National Mutual; E. L. Hensel, Columbus, O.; National Association of Mutual Insurance Companies; Farm Bureau Mutual Automobile, Columbus, O.; William T. Reed, Jr., Washington

One reason producers find Pacific Employers policies popular is that our broad forms offer insurance buyers the most modern contracts that can be purchased in the Casualty market.

## PACIFIC EMPLOYERS INSURANCE COMPANY



Home Office LOS ANGELES



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GOING  
TO SUE  
ME"**

### THAT'S WHAT THEY ALL SAY

WHEN TOLD ABOUT THE DANGERS OF THE SO-CALLED  
"DRAM SHOP" LAW

**NOTE THE RECORD OF SUITS  
AGAINST OWNERS OF BUILDINGS IN WHICH LIQUOR IS  
SERVED, AND ALSO THE TAVERN KEEPER SINCE THIS DRASTIC  
LAW BECAME EFFECTIVE—YEAR 1934**

#### SUITS FILED IN THE STATE OF ILLINOIS

\$100,000 or Over	More than 50
50,000 or Over	More than 150
25,000 or Over	More than 175
10,000 or Over	More than 250
Less than \$10,000	More than 150

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FOR BEST TERMS ADDRESS

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representative National Association Insurance Agents; Charles M. Walker, attorney Association of Casualty & Surety Executives, Washington, D. C., and Avery C. Moore, secretary-treasurer, National Rural Electric Cooperative Association.

## Governing Board Named in Michigan

LANSING, MICH.—A permanent governing committee to handle formation and administration of an assigned risk pool under Michigan's strengthened motorists' financial responsibility law has been selected as to company membership by Commissioner Forbes. Tentative selections of personnel to serve for the carriers have been revealed but no definite date has been set for the committee's organization session. It is anticipated that the committee eventually will choose a manager to handle administrative detail in operating the pool. Under the pool plan, as outlined, risks turned down by three individual carriers, because of physical handicaps or similar reasons, will be eligible to seek insurance from the pool.

### Company Representatives

The following carriers have been designated to represent their respective groups: National Bureau companies, Standard Accident (Otway Conard probable active member); National Association of Mutual Automotive Insurance Companies, Michigan Mutual Liability, Detroit (Charles Burch); non-affiliated stock companies, Wolverine of Lansing (Harvey Fineout) and American Automobile (William Ewald, Detroit office); non-affiliated mutuals, Auto-Owners, Lansing (James R. Otto) and Citizens Mutual Auto, Howell (William E. Robb), and reciprocals, Detroit Automobile Inter-Insurance Exchange (Howard Brown).

## Six Months Survey of Conditions

(CONTINUED FROM PAGE 1)

its pace fairly well because automobile owners realize they have an investment and it pays to protect what they have.

The large company groups have grown fat on the big premium risks both direct and reinsurance. Companies have been underwriting these risks very carefully requiring up-to-date and comprehensive inspections. General cover men therefore have had their hands full.

The companies will not show the heavy losses in ocean marine this year that they did last. That will be a roseate figure for them. They got badly trimmed in 1942 but they have watched their step this year and have come out of the wet.

### Hospital Outfit Denied License

COLUMBUS, O.—Superintendent Crabbe has denied the application of Union Hospital Service Association of Columbus for a license to operate a non-profit hospital service plan. The financial statement disclosed a cash surplus of \$1,000, the minimum provided under Ohio law, and it sought to do business on a state-wide basis under a contract with one hospital having 15 beds. The last financial statement of the hospital in question showed assets of \$185 and liabilities of \$1,233.

After referring to the capital and surplus requirements for insurers doing this type of business, the superintendent stated: "These stringent financial requirements may not be avoided by organizing an insurance company to indemnify members of the public under the guise of a hospital service corporation."

"Your Family Needs Protection" is an effective booklet for selling the new residence theft policy. Write National Underwriter for samples.

## Urges Separation of Funds

Charles E. Bent, an agent of the Travelers in Los Angeles, in an article in a recent issue of Travelers "Protection" discussed the financing by agents insofar as their commissions and the net to be returned to the company are concerned. He declared that each premium, small or great, should be regarded as a trust fund to be kept unfaithfully distinct and apart from one's own private funds. He referred to the example of Abraham Lincoln while acting as postmaster at Salem, Ill., when he said, "I always keep Abe's money in my left pocket and Uncle Sam's in my right pocket."

Mr. Bent contends that when a premium is paid the company part should be put into a trust fund bank account or into the hands of the company cashier. To have one's own bank account complicated with funds which do not belong to the owner and which do very definitely belong to the company is in truth, he said, dealing with dynamite. He said that he has seen this loose and indefinite financial practice lead to failure and tragedy. In case of any serious or even fatal accident or illness the agent's financial house should be in

order and that gives him a clear conscience. It is particularly desirable to have this preparation during the war time. Mr. Bent said, "We can definitely ease the load which a company is carrying on our behalf as well as our own by seeing to it that the particular portion of the structure for which we individually are responsible is kept in ideal condition."

### Good Will and Peace of Mind

During his 35 years of service with the Travelers he said that he has followed this program of keeping separate accounts with very satisfactory results. He has created good will for his company and he has developed a personal financial peace of mind. He follows a regular program. He suggests maintaining at a convenient place in one's home a large envelope marked "Bills Payable," and sees to it that every member of the household places all bills as soon as they are received at the house in this envelope. Next, he maintains a similar envelope in a convenient place in his office and sees to it that everyone immediately puts all bills into this envelope. On the morning of the 10th of

each month or any other regular standard date he reviews all the accumulated monthly bills to make sure they are in order and after reviewing the accumulated bills both in office and home proceeds either personally or through his secretary to write checks in payment of each.

To follow this procedure in the handling of premiums and one's private financial affairs demands one thing above all others, he says, resolute self denial which shall not stop short of a way of life sufficiently simple so that one can and actually does pay as he goes, not failing to include his premiums for adequate low cost life insurance and ultimately for adequate old age retirement income.

### Fowler with American Auto

R. S. Chaloner, Minnesota branch manager of American Automobile, announces the appointment of K. M. Fowler as resident engineer at Minneapolis in charge of engineering services throughout all Minnesota, North and South Dakota and the province of Manitoba. Until two years ago Mr. Fowler was superintendent of the engineering department of the Continental Casualty and the last two years was engaged in engineering work for the army.



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QUICK, DEPENDABLE  
PLATE GLASS  
REPLACEMENT SERVICE

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Mohawk 1100

## American Glass Company is in the Service, too

Every minute counts in these war-busy days. Every one of us has a bigger job to perform. Ours is to help protect business and materials vital to the war effort by rendering an even faster plate glass replacement service. Business and industry must go on uninterrupted.

Now, more than ever before, we are proving to thousands of Chicago business and industrial establishments our superior plate glass replacement service.

For speedy, dependable plate glass replacement service, American Glass Company has never failed—it constantly guards the enviable reputation it has earned through 27 years of faithful service.

BUY BONDS  
BUY AMERICAN



American Glass Company  
1030-42 NORTH BRANCH STREET · CHICAGO

# INSURANCE NEWS BY SECTIONS

## MIDDLE WESTERN STATES

### Mo. Qualification Bill Loses Out

JEFFERSON CITY—The agents and brokers qualification bill is dead for this session of the Missouri legislature. Although it had the support of Superintendent Scheufler and the backing of every insurance organization in the state, stock and mutual, it was dropped from the senate's calendar.

The solons have completed their work on pending legislation and returned to their homes. However, since the adjournment is not scheduled until Aug. 23.

The legislature defeated the attempt of certain attorneys to obtain \$800,000 in additional fees for legal services to the Missouri department in connection with suits against stock fire companies. The bill, if passed, would have paved the way to extract the \$800,000 from impounded premiums and made it easy to escheat the balance of the money to the state.

Another measure which failed to pass would have established a state fire marshal division. Fire and marine companies, although they would have been taxed 1/4% on all their premiums under the setup, did not oppose it.

### Traynor, Bachman Head Minn. Card

MINNEAPOLIS—W. J. Traynor, publicity director North British group, will be one of the two principal speakers at the annual meeting of the Minnesota Association of Insurance Agents here Sept. 2-3. The other will be P. L. Bachman, insurance manager for General Mills and president of the Insurance Buyers Association of Minnesota.

Two spots on the program remain to be filled—the annual dinner speaker and the luncheon speaker.

President R. A. Thompson and Frank Preston, executive secretary, attended the annual meeting of the Southern Minnesota Agents Regional Association at Owatonna. Clyde Helm, secretary Insurance Federation of Minnesota, was also present. President Thompson spoke on Minnesota's public relations campaign.

### \$500,000 Insurance Loss at Dow Chemical Plant

Fire destroyed the roof of a large building at the Dow Chemical Co. plant at Marysville, Mich., and the insurance loss is expected to run almost \$500,000. The building is a part of the plant manufacturing magnesium, and the fire started as a result of combustion of some of the metal. Part of the walls were damaged and there was some damage to contents. The insurance was in Western Factory Association.

### Gambrel in Kansas City, Kan.

The Kansas City (Kan.) Association of Insurance Agents is continuing monthly meetings during the summer. At the July meeting H. M. Gambrel, president of the Kansas City, Mo., association, stressed the importance of the public relations program of the N. A. I. A. He also took up the proposed Missouri agents' qualification law and state regulations covering the licensing of brokers in that state.

It was announced that the committee on city insurance had completed a comprehensive survey of the city's in-

surance and presented reports to the mayor and commissioners for consideration. Evan H. Browne, Jr., was chairman of the committee, assisted by Don Ellis and William Abbott. President Cheney Prouty presided perhaps for the last time, as he expects to be called for military service within the next month.

### To Decide on Kansas Convention

Victor G. Henry, Wichita, chairman of the executive committee of the Kansas Association of Insurance Agents, is calling a meeting of the committee early in August. Most important will be the adoption of plans for the annual meeting this fall in Topeka. The date will probably be set late in October, following the national convention in Pittsburgh, Oct. 10-13. It must be decided whether a one, two or three-day convention will be held, and this will probably hinge on the hotel situation in Topeka. As other states are cutting their conventions to one day, it is possible that Kansas will do likewise. Erwin Keller of the Hussey agency is president of the Topeka association, which will be host to this year's convention. Edwin S. Nellis, also of Topeka, is state president.

### Heavy Hail Damage in N. D.

MINNEAPOLIS—Claims are heavy following a severe hail storm in North Dakota and companies operating in that state will take heavy losses. The storm swept from the northeast to the southwest corners of the state, doing particularly heavy damage in the counties of Hettinger, Slope, Adams and Grant.

E. H. Trousdale, Mott banker, and O. D. Herstein, Hettinger county auditor, the principal hail writers in Hettinger county, estimated that a strip 80 miles long and 10 miles wide had been completely hailed out.

Walter J. Cassidy, hail manager for Home of New York at Minneapolis, was in North Dakota most of last week helping out on adjustments.

The storm did much wind damage to crops, buildings and livestock.

### Discuss Liability, Compensation

WICHITA—B. J. Weldon of Dulane, Johnston & Priest led a discussion on public liability and workmen's compensation at the July meeting of the Wichita Association of Insurance Agents, following the study course outline of the N. A. I. A., which he used when leading the study course for the Wichita Insurance Women earlier in the year.

T. Mitchell Burns, Denver agent and semi-pro umpire, who was in Wichita as one of the umpires for the Kansas semi-pro baseball tournament, spoke briefly, giving his impressions of Wichita and the baseball tournament.

### Levis Joins Rockford Office

Norris K. Levis, who has resigned from the Pearl Assurance in New York, has become associated with the H. J. Collins Agency in Rockford, Ill. He was with the Pearl five years, during which time he opened and developed an inland marine and all lake departments. He was former manager of the

marine department of Marsh & McLennan in Chicago.

### \$82,000 Bus Fire at Pontiac

Fire destroyed eight buses of the Pontiac City Lines, Pontiac, Mich., and badly damaged a ninth, and practically destroyed the garage in which they were housed. The insurance loss on the buses will run around \$8,000 apiece, for a total of about \$70,000, while insurers will pay approximately \$12,000 on damage to the building. The fire started when a static spark ignited gasoline fumes as a bus was being refueled, spreading to the frame roof of the one-story building. Several buses were pulled out of the fire to safety. There will be some junk salvage on the buses.

### Wind Up Evansville Losses

Adjustment has now been nearly completed of the losses in the storm at Evansville, Ind., April 27. The total number of losses was about 10,000 and it is estimated that the total insurance loss was about \$1,000,000. There were a few sizable losses to manufacturing plants, churches and schools.

### Hall Entertains Kirkpatrick

MINNEAPOLIS—C. W. Hall, president Northwestern Fire & Marine, is holding a luncheon here July 22 for A. L. Kirkpatrick, insurance editor Chicago "Journal of Commerce." Insurance executives will be guests.

### Kansas Quota 30% Subscribed

In the July "News Letter" of the Kansas Association of Insurance Agents Secretary Evan H. Browne, Jr.,

reports that Kansas has reached 30% of its quota in the N. A. I. A. public relations funds. President Edwin S. Nellis, Topeka, makes a strong plea for additional subscriptions immediately.

### NEWS BRIEFS

Two recent brides of Great Bend, Kan., were feted at a dinner. They were Mrs. E. S. Benson, nee Martha Weber, secretary in the office of the Western Adjustment, and Mrs. Art Gaulling, nee Elda LeRoy, secretary in Frank Klepper's office. Mary Ellen Weber, secretary for State Agent C. T. Nichols of the Springfield F. & M., and B. J. Phillips, secretary for Don C. McIlrath, entertained.

George P. Nevitt of the Nevitt Agency, Oshkosh, Wis., has been elected a director of Wisconsin National Life of that city.

Because of wartime conditions, the Milwaukee Board has canceled its golf tournament and outing this year.

C. J. Casper, Green Bay, Wis., manager of Western Adjustment, talked on "What to do and how to do it when you have a fire" at a Kiwanis Club luncheon here.


### Alberta Blue Goose Elects

New officers of the Alberta Blue Goose are: Most loyal gander, Tom Baile of Adanac Agencies; supervisor, of Fred Beckett, Eagle Star; custodian, C. L. Layton, British America; guardian, James Symington, North America; keeper, T. A. Hornibrook, Hornibrook & Powles; welder, C. G. Crosland, Cowan, Crosland & Peacock.

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## IN THE SOUTHERN STATES

### Texas Mutual Agents Arrange for Meeting

Arrangements have been completed for the annual meeting of the Texas Association of Mutual Insurance Agents at Fort Worth, Texas Hotel, Aug. 2. The "Texas 1752 Club" will have a cocktail party. Among the speakers will be Philip Baldwin, secretary of the National Association of Mutual Insurance Agents; Geoffrey Christian, Northwestern Mutual Fire, Los Angeles; H. A. Kern, Central Manufacturers Mutual of Van Wert, O.; Lawrence Murray of Columbus, Ga., president of the National Association of Mutual Insurance Agents; Clyde Roper, Central Manufacturers Mutual at Atlanta; E. V. Thompson, local agent in St. Louis; H. J. Ferguson, Farmers Alliance of McPherson, Kan.; J. C. McGee, Reid-McGee Agency of Jackson, Miss. Leo E. Davis of Dallas is president.

### Goodman Virginia Chairman

W. M. Goodman, special agent of Continental, has been elected chairman of the executive committee of the Virginia insurance rating bureau. After serving the company for six years in Atlanta, part of that time in the engineering department, Mr. Goodman was advanced to field work in Virginia where he has remained for seven years.

Other members of the executive committee are Gordon Long, Aetna Fire, vice-chairman; O. B. Roberts, Hartford Fire; W. A. Jordan, Jr., Royal-Liverpool; J. A. Gibson, Travelers Fire; John H. Baker, Virginia F. & M.; C. P. Lloyd, National Liberty; Jules J. Elder, Connecticut Fire, and R. B. Davis, London & Scottish.

### Judgment for Cancelling Contract

NEW ORLEANS—The Hartwig Moss Agency, New Orleans, has been awarded a judgment for \$15,290 against the board of commissioners of the Port of New Orleans for alleged breach of contract. The board entered into a contract with the agency in 1931, making it the exclusive agent to handle all of the board's insurance. The five-year contract, however, was cancelled Dec. 29, 1934, and all policies issued through the agency were cancelled. The court held that the agency was entitled to the amount of commissions it would have received had the policies remained in effect until termination of the contract April 6, 1936.

### Joins Trinity Universal

R. D. Coughanour, Jr., has joined Trinity Universal and will serve in the special risk and production departments. He has been in the insurance business for more than 20 years, having commenced his career when he joined his father in the operation of the R. D. Coughanour & Son general agency in 1921. For the past 12 years Mr. Coughanour has been manager of the automobile, inland marine and casualty departments of Gross R. Scruggs general agency in Dallas. He is a graduate of University of Illinois.

### Tenn. Mutuals Meet Saturday

NASHVILLE—The Tennessee Association of Mutual Insurance Agents will hold its annual meeting here Saturday. A. N. Miller of Murfreesboro is president. No formal addresses are scheduled and the time will be devoted to a panel discussion of agency problems. There will be a business session and election of officers. The association has a membership of about 50.

### One Fla. Suggestion Adopted

TAMPA, FLA.—While Florida agents made several suggestions on application of the new rate reductions on dwellings that the S.E.U.A. did not endorse, one

very practical rule was accepted, the elimination of exposure charges on protected dwellings.

"This," President Moor says, "will save agents many hours of time and much expense each year as the plan under consideration would have placed the burden on the agents to determine the exposure."

### Knoxville Exchange Elects

KNOXVILLE, TENN.—Charles T. King of M. F. Flenniken & Co. has been elected president of the Knoxville Insurance Exchange. John B. Bailey is vice-president; Marcus F. Nickerson, secretary; Margaret Davies, treasurer; Russel Briscoe, Edward Roehl, A. H. Cline and J. R. Gentry, directors.

### NEWS BRIEFS

The Parkerson General Insurance Agency of Lafayette, La., has been awarded the fire and extended coverage on the Louisiana State University amounting to \$15,960,000. The agency has been writing this business for the last 10 years.

B. T. Chaney of the Chaney, Withers & Green agency, Horse Cave, Ky., has bought J. S. Withers' interest. Arthur Green sold his interest to Messrs. Chaney and Withers about two years ago when he became Florida state agent of Rhode Island.

J. J. Turner, cashier of the Bank of Dundee, Dundee, Ky., has established a new agency.

## COAST

### Grain Fires Cause Large Loss in Washington

There were 190 grain fires of 30 different origins causing a total loss of \$441,490 in Washington in 1942. L. L. Burgunder, chief of the Washington state board for vocational education, told a recent meeting of the Southeastern Washington and North Central Idaho Firemen's Association at Colfax, Wash.

Chief cause of the fires, Mr. Burgunder pointed out, was carelessness. Only 18 of the fires were not preventable, these being caused by lightning and destroy-

ing grain valued at \$21,550. Only one fire was found to be of incendiary origin.

The greatest single cause of the fires was trucks with defective mufflers and no spark arresters, which caused 59 fires with loss of \$244,633, Mr. Burgunder said.

### Small Chance for 80-20 Collision Form on Coast

According to underwriters of companies in the National Automobile Underwriters Association, there is small chance that the 80-20 collision coverage will be adopted in the Pacific Coast territory. There has been some discussion of the matter but manpower is scarce and the increased work from an expected volume of small losses makes the cover unattractive now. There does not seem to be real demand for the plan by local agents. No formal demand or request has been made. Also, it is said that the plan has not proved to be the business income boon some proponents had expected.

### Pacific Board Rule Changes

In addition to the recent changes in unearned premium insurance, the Pacific Board has also published new rates

and a new form for errors and omissions insurance and specifically included the fallen building clause in the consequential damage endorsement. A new provisional reporting form rule permits renewal on the basis of 10 monthly value statements. There is also a new profits form for Alaska fish canneries and packing plants, a windstorm rate increase on metal smokestacks, awnings, other aerial structures and airplanes on the ground outside hangars and a revision of a number of rates for farm property.

The Idaho Surveying & Rating Bureau has revised rules and rates on pole yards, irrigation works and logging risks.

### Conclude Los Angeles Course

LOS ANGELES—At the final session of the classes conducted by the Insurance Exchange of Los Angeles under the auspices of the Insurance Institute of California, Marshall Rankin, special agent of Aetna Fire, spoke on "The Company, Capital Stock Insurers."

Final examinations will be held July 23. Plans are being made for another class next year.

### Seattle Tax Amendment Passed

SEATTLE—The amendment exempting insurance premiums from the 1/10th

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of 1% gross income tax in the Seattle occupational tax ordinance has been passed by the council and was signed by the mayor. The wording is identical with the exemption contained in the Washington state occupational tax law.

Rules and regulations for computing liability of agents, brokers and general agents provide, in effect, that the same basis used under the state law (gross commissions less return commissions) be used.

#### F. J. Erwin Goes with F.C.A.B.

The Fire Companies Adjustment Bureau has appointed Frank J. Erwin adjuster at San Francisco.

Mr. Erwin has had 12 years' adjusting experience on the Pacific Coast. For seven years before entering claims work he handled insurance investigations for the Retail Credit Co.

The San Luis Obispo, Cal., office of F.C.A.B. has been moved from the Wickenden building to 1105 Monterey avenue.

#### NEWS BRIEFS

Thomas J. Downen spoke to the Insurance Women of Pueblo on "The Agent's Responsibility to the Company." He is the head of one of the oldest agencies in Pueblo.

E. I. Crockett, Pueblo general agent, who has been seriously ill for some time, has improved sufficiently to return home from the hospital.

John D. Wells, Tacoma, president of the Pierce County Insurance Agents Association, is convalescing at his home. He recently underwent two serious operations.

Northwest Insurance Brokers, Inc., Seattle, has been dissolved.

Jesse Davis, who left the Henry Broderick agency recently, has joined the fire department of McCollister & Campbell, Seattle general agents.

Stephen Ridgely, Hooper-Holmes Bureau, has been nominated for commander of Insurance Post 404 of the American Legion in San Francisco.

## EAST

#### W. H. Bittel Assistant Actuary in New Jersey

W. Harold Bittel, formerly associated with the consulting actuarial firm of Woodward, Ryan, Sharp & Davis, at New York, has assumed his duties as chief assistant actuary in the New Jersey department. He succeeds Daniel J. Lyons who resigned several months ago to become assistant actuary of Guardian Life. Mr. Bittel was graduated from the University of Michigan in 1926 and served several years as assistant actuary of Peoria Life before entering consulting work. He is a fellow of the Actuarial Society of America and of the American Institute of Actuaries.

#### Cut Conn. State War Damage

HARTFORD — State Comptroller Zeller has announced the reduction of the war damage insurance on state property from \$84,751,401 to \$78,605,589. The cost will now be \$71,572 for the fiscal year instead of \$75,814.

No reduction was made in the insurance carried on bridges.

#### NEWS BRIEFS

J. H. R. Timanus, secretary-treasurer of the Philadelphia Contributionship, has been elected a director of the Automobile Club of Philadelphia.

A. M. Sanders & Co. have opened new offices at 1706 K Street, N.W., Washington, D.C.

The Unique Manual-Digest contains the broadest coverage of sales making facts and figures available from any source. \$5 from National Underwriter.

## CANADIAN

#### Dominion War Risk Figures as of May 31 Announced

TORONTO—Finance Minister Ilsley has issued a report that as of May 31, premium receipts on war risk policies, apart from grain and government properties, totaled \$4,801,002. Premiums under the grain scheme at that date exceeded \$453,000, while transit policies produced premiums of approximately \$2,000.

British Columbia has 28.8% of the war risk insurance taken out, excluding grain, transit and government property; Quebec, 28.4%, Ontario 25.8%, Nova Scotia 8.3%, New Brunswick 3.7%, Alberta 2.5% and all other provinces less than 2%.

#### Lawrie Heads Investigation Bureau

William Lawrie, Phoenix Assurance, has been elected president of the Fire Underwriters Investigation Bureau of Canada. Vice-presidents are R. H. L. Massie, Dominion Fire, and A. C. Hall, Commercial Union.

## MOTOR

#### Claims Prices of Used Cars Are Still Reasonable

A survey by the National Used Car Market Report, Chicago, coincident with the latest July issues of its Blue Book and Red Book used car appraisal guides, reveals that supplies of used cars are steadily diminishing and considering conditions prices remain fair and equitable.

In comparison with values of other merchandise good used cars are still selling at very reasonable prices, the report states.

When the 1942 cars were introduced, the factory prices, according to government figures, averaged about 14% over the 1941 new car prices, due principally to increased labor costs and rationing. Under rationing control, dealers have been allowed 1% a month since January, 1942, or a total of 18% up to the present time, to cover storage charges and maintenance costs for keeping the cars in the best possible condition until sold.

These increases, with government approval, add up to 32% for a new 1942 car over the 1941 price. The same line of figuring, if applied to used cars, would justify a similar increase for these automobiles. This procedure, however, has not been adopted by reputable automobile dealers with respect to their used cars despite the limited supply, the absence of rationing and the availability

#### Timely Advice Given to Business Men

PHILADELPHIA—John D. Lamond, president of the Master Plumbers Association of Philadelphia, gave some cogent advice to business men regarding the desirability of carrying fire insurance. Writing in the organization's bulletin, Mr. Lamond says:

"Fire insurance has become such a recognized necessity in business that when a merchant makes a statement that he has none and does not believe in it, it is time to question his ability to handle his affairs. Every stock of merchandise, regardless of the location and the manner in which it is guarded, is constantly under the shadow of possible destruction by fire.

"Your place of business, your automobile and your stock are now more valuable than they were several years ago. Look over that old policy and see if you are protected."

of used cars in a free and open market without any government control.

The extent to which the motorist must depend upon used cars for transportation is indicated by the fact that there are today less than 200,000 new 1942 models in existence, all subject to rationing, as compared with a normal prewar yearly production of 4,000,000 or more automobiles.

## MARINE

#### War Risk Rates Decrease with U-Boat Sinkings

NEW YORK—The decrease in sinking of Allied ships by U-boats since the first of the year is reflected in the strong downward trend taken by war risk rates. The War Shipping Administration and commercial marine underwriters have kept abreast of each other in reduction of rates. For instance, last February the underwriters quoted a rate of 15% on voyages to eastern ports east of the Gulf of Aden but not east of Cape Cormorin. The rate for this same route is now 8 1/4%. There has been a similar reduction in rates over all the routes between the western hemisphere and European, African or Indian ports. The tremendous number of escort vessels now being produced and the action of anti-submarine vessels and aircraft have taken their toll of the submarine. This past month showed the lowest number of merchant sinkings since the United States entered the war.

Another effect has been the broadening of seamen's insurance which is issued by WSA. The rate was formerly \$10 per \$1,000. A few months ago it was reduced to \$7.50 per \$1,000 and July 1 the rate was lowered to \$4.50 per \$1,000.

#### Many Field Men in Michigan to Push PPF Sale

The companies writing inland marine business have put as many field men as they can spare into Michigan to help agents sell the personal property floater which a new state law authorizes effective July 30. Many of the companies have three or four extra field men in the state in addition to the regular Michigan contingent, all working on the floater. Some companies have half a dozen or more extras on the job.

The field men are working the big centers first, but expect to remain until business tapers off, which may be three or four weeks or longer. The amount of business being produced is regarded by the companies as very substantial. One insurer that is not by any means the largest operator in the inland marine field reports that it has

been receiving around five or six policies a day. Another company has gotten in 100 applications in the last two weeks. It is a field day for marine representatives in that territory.

#### Field Men Helping Sell

Most of the field men are following the procedure of working with agents and calling on a selected list of prospects. Where agents are too busy, however, field men are calling on selected prospects themselves, following an introductory letter from agent to assured.

The Michigan department apparently is pleased at the activity being put forth by the companies and agents because this work constitutes an educational campaign to inform the Michigan public about the availability of the coverage. Agents are welcoming the field men because the companies have not put out much literature, and the Michigan Inspection Bureau has just issued the manual. Consequently agents need some expert help, and by the time the big push is over will be thoroughly familiar with the selling procedure, rates, etc.

#### New Parcel Post Rates

NEW YORK—Rates for parcel post shipments between the United States and Mexico, British Honduras, Republic of Honduras, Guatemala, Nicaragua and El Salvador are 25% of the regular rate for other western hemisphere ports, provided the assured agrees to pay the government's registry charges on all such consignments.

#### Russell to Improved Risk Mutuals

General Manager Fred A. Rye of Improved Risk Mutuals, has appointed Howard F. Russell as associate manager. Mr. Russell has been associated with the inspection department of the Factory Mutuals since 1923. He served 10 years with What Cheer Fire and for the last eight years with Arkwright Mutual Fire and Boston Manufacturers Mutual Fire in Boston where he was joint field manager. Mr. Russell is a graduate of Massachusetts Institute of Technology. He has a degree in mechanical engineering and has specialized in fire protection engineering. The executive committee of the Improved Risk Mutuals is broadening the organization and reinforcing the official staff to prepare for the post war effort.

Samuel R. Rosenbaum, vice-president Albert M. Greenfield & Co., New York, has been commissioned lieutenant colonel in the army special reserve for service in the division of military government of occupied territories and has been granted a leave of absence from his business for the duration.

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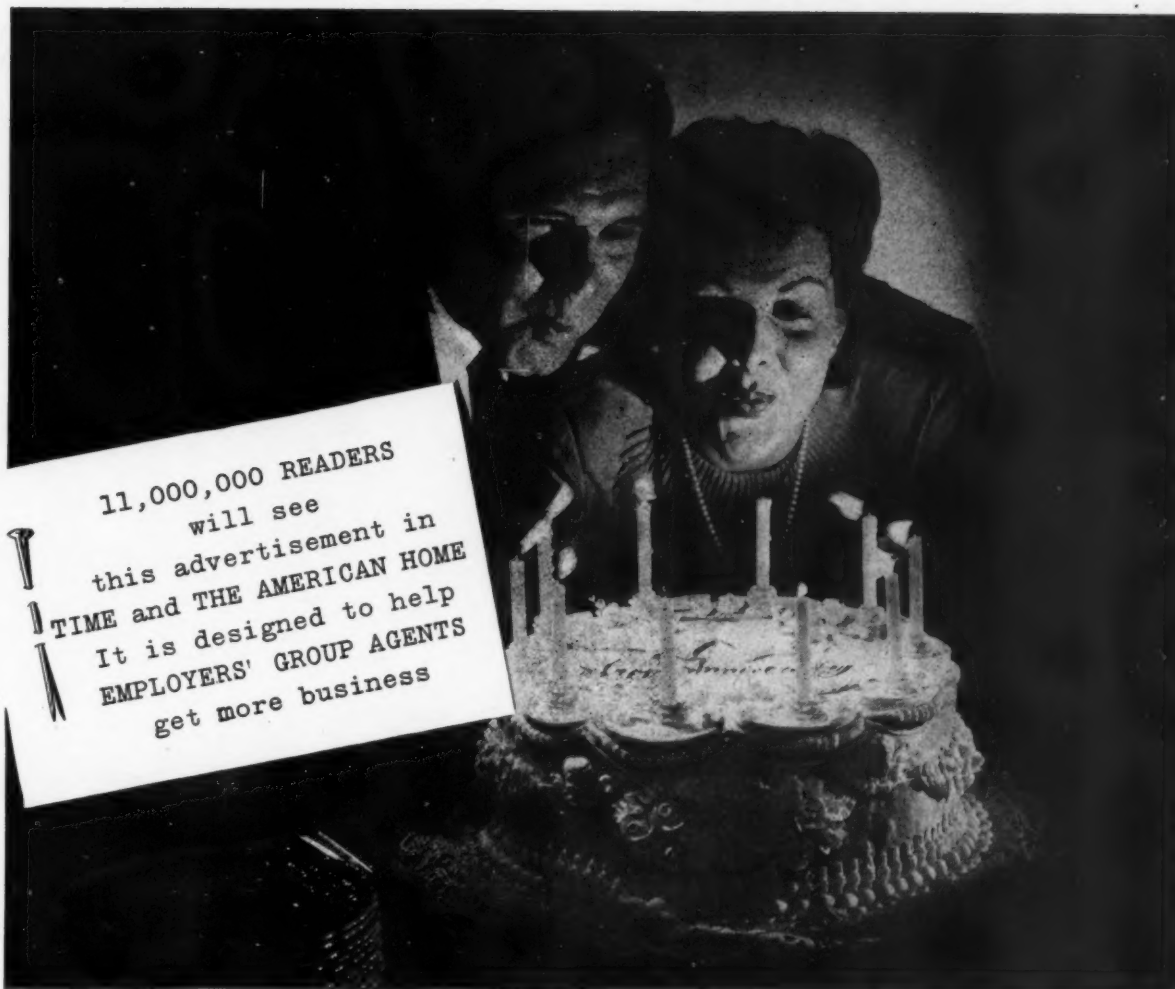
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get more business

## Expensive Candles... BUT THE GREATEST "BUY" IN THE WORLD

ONE more candle added to the cake. It's your wedding anniversary...or your birthday...another milestone in your life. And think of what that candle and all the others mean in terms of dollars and cents. Think of what you've spent during all those years...for furniture, silverware, clothes, books, the paintings you had to have, the family gifts, jewelry, the victrola and all the records.

Yes, you spend a lot of money. But it's worth it. It's for your home, your family...for you. It's the greatest "buy" in the world, no matter how much money you spend.

Now...think of what you've done to protect that great investment. Take burglary insurance, for example...do you have it? If so, is it the right kind?

There are different kinds of burglary policies...one of which will give you best protection at the lowest cost. Ah!...but which one? There's the rub. There's the problem to be solved.

*The Man with the Plan* has the answer...a new Employers' Group Family Theft Policy that gives broader, better protection...a more practical policy for the home.

Find out about this new burglary policy. Ask *The Man with the Plan* to make a free complete analysis of your insurance...so that you can see how easy it is to get better protection for your home. And make it a yearly practice to have him bring your insurance up to date so that everything you own will always be *safe, protected, secure.*

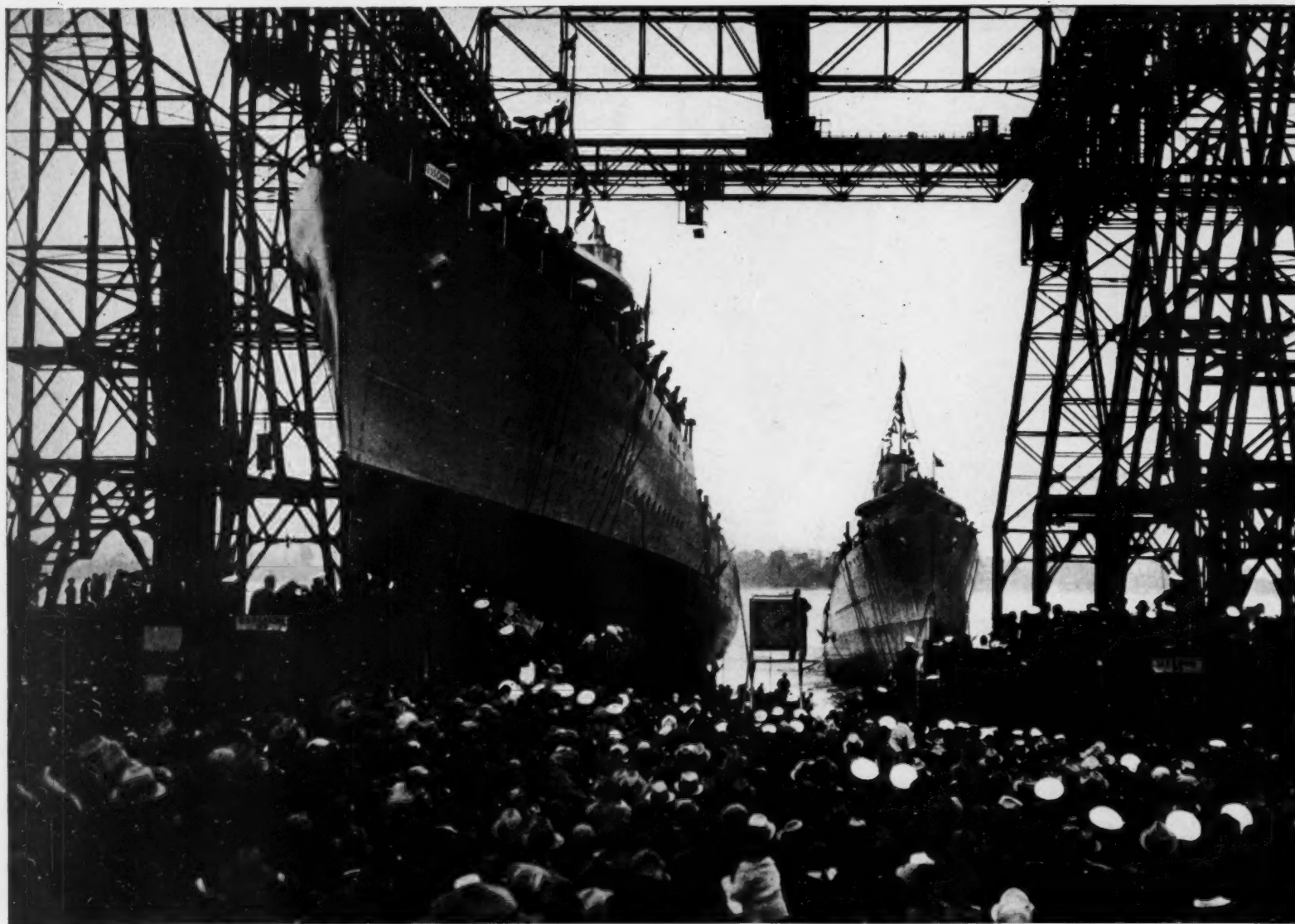


**THE EMPLOYERS' GROUP MAN IS**  
*The Man with the Plan*



**THE EMPLOYERS' GROUP**  
110 MILK STREET, BOSTON, MASS.

THE EMPLOYERS' LIABILITY ASSURANCE CORP., LTD. • THE EMPLOYERS' FIRE INSURANCE CO. • AMERICAN EMPLOYERS' INSURANCE CO.



## LAUNCHING PROGRAMS OF PROGRESS

At well-timed intervals, Emmco's new, streamlined sales-producing programs "slide down the ways." These programs are designed to help Emmco agents establish business which repeats and multiplies . . . The Emmco "keel" has been laid straight and true, and the course is set for steady progress. The launching of each pro-

gram is followed through with complete sales aids for the agent . . . During the past year, many new agents have "joined up" with Emmco and have enjoyed a steady growth in volume. Why not investigate the Emmco Plan and see how it fits into your own picture? Simply drop a line to Emmco today for complete information.



### WELCOME THE MAN WHO PRESENTS THIS CARD

He will bring you quick facts about the "Company-Agency" Co-operation Plan which is building business for Emmco Agents. It will be worthwhile to listen to his story about Emmco.

# Emmco

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